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APEC Preparatory Vice Ministerial Meeting Held

OW0209171094 Tokyo KYODO in English 1457 GMT 2 Sep 94

[Text] Tokyo, Sept. 2 KYODO—Next month's ministerial meeting in Osaka of the Asia-Pacific Economic Cooperation (APEC) forum will focus on ways of nurturing small businesses, a preparatory vice ministerial meeting confirmed Friday [2 September]. The APEC vice ministers closed a two-day meeting in Tokyo on Friday to discuss agenda for the Osaka meeting of ministers in charge of small businesses, scheduled for late October. The vice ministers from 17 member countries and regions agreed that the ministerial meeting will also take up problems arising in adjusting the market mechanisms of the various member nations. A statement will be issued at the end of the ministerial session, they decided.

Elimination of Trade Barriers in Asia Urged

MS0109142694 London FINANCIAL TIMES in English 1 Sep 94 p 6

[Report by Guy de Jonquieres in London and Nikki Tait in Sydney: "Asia-Pacific Pledge Urged on Trade Curbs"]

[Text] Leaders of the 17 countries of the Asia-Pacific Economic Cooperation [APEC] forum should commit themselves this year to eliminating by 2020 all barriers to trade and investment in the region, an international advisory panel has recommended.

The panel's report says liberalisation should not be confined to Apec countries, but should seek to reinforce the multilateral trade system by simultaneously extending the benefits of freer trade to non-members. The report is the most detailed effort yet to draft a blueprint for the development of the five-year-old organisation.

It was drafted by a 16-member eminent persons, group at the request of last year's Apec summit in Seattle.

The authors call on Apec leaders to agree at their next meeting, in Jakarta in November, to launch the liberalisation programme in the year 2000 and to pledge themselves to completing it over the next 20 years.

Though the report's recommendations are unanimously backed by its authors, some have admitted that they do not expect all their proposals to win political approval quickly.

Mr Neville Wran, Australia's representative on the eminent persons' group, said yesterday that the liberalisation timetable yesterday was something of a vision, and that over-hasty efforts to turn Apec into a more formal organisation could damage confidence in it.

Apec members have already displayed sharp differences about the pace and direction of future development. While the report's findings seem likely to be broadly favoured by industrialised countries such as the US and Australia, reactions in Asia are expected to be more mixed.

The report says more advanced Apec members should dismantle all their trade and investment barriers by 2010, and developing countries by 2020.

As well as tackling border obstacles, liberalisation should extend to such matters as government procurement and technical standards.

The authors say the programme should aim for "open regionalism" by building on—and in some cases going beyond—the principles of the General Agreement on Tariffs and Trade.

They emphasise that Apec should not become a customs union and should avoid the "over-institutionalisation and over-bureaucratisation" typified by the European Union.

"Without any reservation whatsoever, we strongly oppose the creation of a trading bloc that would be inward-looking and would divert from the pursuit of global free trade," the report says.

Individual Apec countries should instead be encouraged to liberalise trade unilaterally as fast as possible, while the organisation should be ready to negotiate concessions with non-members on a reciprocal basis. However, the report says that unless Apec leaders move rapidly to launch a liberalisation drive, the group's achievement could be jeopardised by fragmentation and discrimination caused by a proliferation of sub-regional economic groupings.

To prevent this happening, the authors call on groupings such as the North American Free Trade Area to undertake to extend to the whole of Apec the trade preferences enjoyed by their members.

ASEAN Textile Makers Seek More Flexibility

BK0809060594 Bangkok BANGKOK POST in English 8 Sep 94 p 26

[Text] ASEAN textile manufacturers want more flexibility in calculation of their products' country of origin, which determines the level of tariff cuts under ASEAN Free Trade Area (AFTA) rules.

The call by the ASEAN Federation of Textile Industries (AFTEX) is likely to be discussed by the region's economic ministers in Chiang Mai on September 22 and 23;

Textile industries face problems under AFTA because their local content may not be enough to enable the products to be considered ASEAN made.

ASEAN members originally agreed products would be calculated as ASEAN made when at least 40 percent of the raw materials used came from ASEAN countries. But most textiles produced by group members have only 30 percent ASEAN raw materials. The balance is usually imported from non-member countries.

AFTEX suggests allowing "substantial transformation" in calculating ASEAN-made textiles. This would enable products to be considered ASEAN-made when imported raw materials are transformed into new products which have different tariff codes.

Sophon Wichitakon, president of the National Federation of Thai Textile Industries, said some products with raw materials that had been processed only a little would not be counted as ASEAN-made.

AFTEX would seek to exclude such items from tariff cuts, he said, giving as examples handkerchiefs; shawls; scarves; veils; travelling rugs and blankets; pillow cases; linen for tables, bathrooms, beds and kitchens; sacks and bags; tarpaulins; awnings and blinds; floor and dish cloths; and similar simply-made articles.

Mr Sophon said problems would remain in applying the "substantial transformation" rule because many regulations would be involved.

Customs departments of ASEAN members still have questions and ASEAN senior officials have agreed to set up an expert committee to study the issue.

Mr Sophon said AFTEX had suggested a method used by the United States and European Union for application by ASEAN.

Under this method, the following processes would be considered to deem goods "ASEAN-made":

—Petrochemicals which has undergone polymerisation or polycondensation or any chemical or physical processes to form a polymer;
—Polymer which has undergone melt-spinning or extrusion to form a synthetic fibre;
—Fibre spun into yarn; Weaving, knitting or other processes to form fabric;
—Cutting fabric into parts and the assembly of those parts into a completed article;
—Dyeing of fabric, if it is accompanied by any finished operation which has the effect of dyeing the product directly;
—Printing of fabric, if it is accompanied by any finishing operation which has the effect of making the printed product directly usable;
—Impregnation or coating when such treatment leads to the manufacture of a new product falling within certain customs tariffs; and
—Embroidery where local content represents at least 5 percent of the total.

Explaining these details to textile makers was likely to take a year, a Commerce Ministry source said.

Five Nations To Cooperate in Science, Technology

BK2008133394 Bangkok BANGKOK POST in English 20 Aug 94 p 7

[Text] Thailand, Burma, Cambodia, China, Laos and Vietnam yesterday took a major step toward development of science and technology by drafting a guideline on further cooperation.

Delegates from the five countries discussed "two guiding principles" on the first day of the First International Congress on Science and Technology for Cordial Relationships among Neighbouring Countries.

The two "guiding principles" were mentioned in the joint statement adopted by the head of each delegation.

The first guiding principle called for fairness and transparency in the field of scientific and technological cooperation.

"All cooperation by the five participating countries will be governed by an open dialogue on the basis of the consensus of opinion," it said about the first principle.

Cooperation should finally lead to economic development and better living standards of people in the countries involved, the statement said.

"Cooperation in this field is aimed at bringing about the development of science, technology, human resources to improve the economic and social well-being of people in the region," the statement said, referring to the second principle.

The head of each of the five delegations addressed at plenary session of the convention and expressed optimism about future collaboration among countries in the region.

Science, Technology and Environment Minister Phisan Mulasatsathon called the meeting "the start of a new era" for countries in the region.

The theme of cooperation in the development of science and technology is a new and important one, which will help countries in the region that are "old in the spirit of friendship and cordiality which has existed for centuries."

Mr Phisan identified water resources and rice as important issues that needed joint development.

Vietnamese Science, Technology and Environment Minister Dang Huu, called on all five countries not to repeat the failures taking place in other countries.

He cited environmental pollution, the exploitation of natural resources and other adverse impacts as examples that the region should try to prevent from happening.

Chairman of Laos' Science, Technology and Environment Committee Souli Nanthavong said that the congress was a good step that would "lead to cooperation among countries in the region."

Burmese National Planning and Economic Development Minister Brig-Gen D O Abel, meanwhile expressed confidence that the guidelines would lead to cooperation and greater economic prosperity.

Japan

Hashimoto Meets USTR Kantor for Talks 7 Sep

OW0709233694 Tokyo KYODO in English 2313 GMT 7 Sep 94

[By Antonio Kamiya]

[Text] Washington, Sept. 7 KYODO—Japan's International Trade and Industry Minister Ryutaro Hashimoto met with top U.S. trade officials Wednesday [7 September] in a bid to avert possible trade sanctions by the United States, but received a tough message from Washington even before the talks got under way.

U.S. Trade Representative Mickey Kantor said, "I won't expect any dramatic announcement or breakthrough ... this week."

Kantor made the remarks at a news conference just hours before he sat down with the Japanese trade minister for a closed-door meeting that lasted nearly three hours.

"We'll talk again," Hashimoto told reporters after emerging from the meeting.

Hashimoto, who arrived in Washington earlier in the day after a visit to Ottawa, also spent another one-and-half hours in a separate meeting with Commerce Secretary Ron Brown.

The two meetings kicked off a series of crucial bilateral negotiations over the next three weeks as the United States weighs options over whether to initiate trade sanctions against Japan.

The U.S. Government has set Sept. 30 as the date for announcing two key decisions: whether to take action against Japan over government procurement practices in medical and telecommunications devices and whether to cite Japan for unfair trade practices under the "Super 301" provision of the 1988 U.S. Trade Law.

In his news conference, Kantor said the U.S. is ready to listen to what Tokyo has to offer to defuse the imminent confrontation between the world's two largest economies but refused to predict the likely outcome.

"September 30 appears to be a long way as we sit here on September 7," Kantor said.

"I have no idea what is going to happen," he said.

At stake is the outcome of the "framework" trade negotiations that have been taking place over the past year between the two countries.

The United States has insisted on using a set of "objective criteria" to measure access of imports to the Japanese market, and Kantor reiterated Wednesday that objective measurements must be included in a trade accord with Japan.

For its part, Japan has resisted U.S. demands, arguing that they would lead to "managed trade."

Hashimoto, who visited Canada before his trip to Washington, underscored the Japanese position in a meeting with Canadian Prime Minister Jean Chretien in Ottawa earlier Wednesday, a Japanese official said.

Hashimoto told the Canadian prime minister that Japan will oppose any U.S. proposal that "may lead to managed trade."

Hashimoto appeared jovial and light-hearted as he set out for his meetings with Brown and Kantor.

In a photo session prior to his meeting with Brown, Hashimoto traded pleasantries with his American host, joking that "my heart is racing" as he faced the prospect of meeting "a tough secretary of commerce."

At the outset of his meeting with Kantor, Hashimoto also evoked a light banter from his American interlocutor that he is not a "tough negotiator."

Hashimoto, a key liberal democrat in the coalition government under socialist Prime Minister Tomiichi Murayama, has also set meetings with other top U.S. officials Thursday before heading to Los Angeles for a four-way trade conference with the United States, Canada and the European Union this weekend.

There will be more trade talks between Japan and the United States on the fringes of the so-called "quadrilateral" meeting in Los Angeles.

Kantor is scheduled to meet with Japanese Foreign Minister Yohei Kono on Thursday in Los Angeles, where trade negotiators from the two countries will also hold talks on Japanese Government procurement and insurance business.

The two countries have also scheduled trade talks to improve American access to Japan's auto and auto parts market before the end of the month.

In his news conference Wednesday, Kantor said that there is no agreement yet on any of the trade sectors under negotiation and warned against "drawing a conclusion one way or the other" about a scheduled meeting later this month between President Bill Clinton and Kono.

U.S. Ambassador to Japan Walter Mondale told reporters Tuesday that Clinton will meet the Japanese foreign minister to underscore "the importance of U.S.-Japanese relations" when he travels to New York later this month for the annual UN General Assembly session.

Hashimoto's Offer on Autos, Parts

OW0809062994 Tokyo KYODO in English 0537 GMT 8 Sep 94

[Text] Washington, Sept. 7 KYODO—Japan offered Wednesday [7 September] to reach a partial agreement with the United States over autos and auto parts so as to avert possible U.S. trade sanctions, a Japanese trade official said.

The official, speaking on condition of anonymity, said International Trade and Industry Minister Ryutaro Hashimoto made the proposal when he met with U.S. Trade Representative Mickey Kantor and Commerce Secretary Ron Brown.

In talks with Kantor and Brown, Hashimoto reiterated that Tokyo cannot accept U.S. demands that objective criteria such as market share be set, saying Japan cannot reach an agreement that goes beyond governmental authority, the official said.

Trade in autos and auto parts is one of the three areas given priority in bilateral talks on a new trade "framework" aimed at rectifying the chronic bilateral trade imbalance.

Kantor and Brown first rejected the latest Japanese offer but their opposition tapered off with time during separate meetings with Hashimoto, the official said.

Japan and the U.S. are close to reaching agreement on the two other areas taken up in the framework talks—insurance and government procurement of telecommunications and medical equipment, but are still at odds over autos and auto parts.

The U.S. has set an end-of-September deadline for possible trade sanctions if no agreement is reached on the issues.

Asked whether such sanctions can be avoided, the Japanese official said, "I don't know at all."

Extended Patent Period to 20 Years Proposed

OW0709112494 Tokyo KYODO in English 1058 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—A Trade Ministry panel proposed Wednesday extending the patent period to 20 years from the current 15 years, ministry officials said.

The officials said the Ministry of International Trade and Industry plans to submit a bill to revise existing laws concerning patents and trademarks to the extraordinary Diet session to be convened later this month for enactment in July next year.

The proposal, prepared by the Industrial Property Council, an advisory organ to the minister of international trade and industry, also seeks a revision of existing patent application procedures, allowing applications in English. Applications are currently permitted only in Japanese.

The officials said the council urged the ministry to implement the patent rights in a flexible manner to prevent the debut of copied products and ensure protection of patents.

Ministries Hold Meeting on Framework Talks

OW0809093594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Sep 94 Morning Edition p 3

[By Koya Shimizu in Ottawa]

[Text] A meeting was held last week at the Ministry of Foreign Affairs [MOFA] to confirm the Japanese Government's policy of attending the Japan-U.S. framework trade talks, which will get into its stride at the 7 September meeting between International Trade and Industry Minister Ryutaro Hashimoto and U.S. Trade Representative (USTR) Mickey Kantor. Attendants at the meeting were Sadayuki Hayashi, deputy minister for foreign affairs; Sozaburo Okamatsu, vice minister of international trade and industry for international affairs; Kosuke Nakahira, deputy minister for financial affairs; and directors of MOFA, Ministry of International Trade and Industry [MITI], and Ministry of Finance [MOF] who are in charge of the framework talks.

In the meeting, Hayashi, Matsuoka, and Nakahira made the final confirmation to change the way of promoting the talks. Regarding the priority areas—government procurement, insurance, and auto and auto parts—the vice ministers agreed to give up the idea of settling the issues all at once at the end of September. Instead, they confirmed to aim at reaching "partial agreements" for each area where Japan can make compromises with the United States.

Originally, there was a tacit agreement between the ministries and agencies to act in concert with each other as much as possible in areas they are in charge of over the framework talk issues.

The tactic of setting the issues all at once, however, bar the road to settling the issues separately by making "partial agreements" on matters on which both countries could meet each other halfway. It produced a side effect of delaying progress at the talks.

Because of this, the ministers agreed to review the tactics. An attempt to coordinate between MITI, which will be left out, so to speak, and MOFA, which wants to make progress at the talks, encountered rough sailing however. MOFA is still trying to come up with broad ideas, saying: "Is there any way to convince the United States to soften its attitude by making some compromises in government procurement." The U.S. reaction, however, is a bit unsatisfactory. It seems possible that a subtle impact may be felt on the framework talks, slated to be held in and after October, if the meeting left any unpleasant feeling between MOFA and MITI.

Foreign Minister Arrives in U.S. for Trade Talks

OW0809091094 Tokyo KYODO in English 0836 GMT 8 Sep 94

[Text] Los Angeles, Sept. 7 KYODO—Foreign Minister Yohei Kono arrived in Los Angeles Wednesday [8 Sep] for a series of trade talks with top officials of the United States, Canada and the European Union (EU).

Kono, who flew from Cairo after attending a UN population conference, will meet U.S. Trade Representative Mickey Kantor on Thursday to discuss market-opening measures for government procurement as part of the Japan-U.S. bilateral trade "framework" talks.

Kono will also meet EU and Canadian ministers for four-way trade talks.

Kono will leave Los Angeles on Saturday and return to Japan Sunday evening, one day before originally scheduled, to meet UN Secretary General Butrus Butrus-Ghali in Tokyo.

Article on 'Scenario' in Framework Talks

OW0809114594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Sep 94 Morning Edition p 3

[Article by Shigeru Komago in Washington Bureau: "The Autumn Battle of the Japan-U.S. Economic Consultations Talks—Has A Scenario on an Agreement Been Made Behind the Scenes? U.S. Presidential Assistant Cutter Learned To Have Visited Japan Recently"; first paragraph is NIHON KEIZAI SHIMBUN introduction]

[Text] With the meeting of Ryutaro Hashimoto, minister of international trade and industry, and Ronald Brown, U.S. secretary of commerce, in Washington on 7 September as the trumpet, the autumn battle of the Japan-U.S. economic consulations starts. The Clinton administration, which has kept on making blunders in both domestic and foreign policy issues, wants to regain some of its lost ground by reaching agreements in the talks on such area as insurance service and by claiming them as a fruit in negotiations with Japan. On the part of the Murayama government, there is a desire to score some points in diplomacy by arriving at a settlement in the economic consultations—something Hosokawa and Hata governments had not been able to do. We have looked into the back stages of Japan and the United States which have begun to move toward rounding up the economic consultations.

Bowman Cutter, deputy assistant to the President for economic policy, made a secret visit to Japan last week. Bowman is the second ranking man in the National Economic Council (NEC), functions of which are to adjust economic policies of the U.S. Government. Japanese officials would not speak about the visit, but it appears that Cutter made the visit to convey the United States' feelings on the "autumn battle in the Japan-U.S. economic consultations" which will begin on 7 September.

According to a U.S. official, the contents of what Cutter presented during the visit were as follows: While the September talks should deal with only the three priority areas, 1) a final agreement on the insurance sector should be possible; 2) a general framework should be agreed on the government procurement sector so that sanctions under the Omnibus Trade Act's government procurement clause may be avoided; and 3) as far as the automobiles and auto part area is concerned, progress should be made in the auto parts so that the process of imposing sanction under the Section 310 (unfair trade practicing nations and sanctions against them) may be avoided.

About two weeks earlier, the U.S. Government in a meeting of the NEC had discussed the policies to deal with Japan. The conclusion reached at the meeting (according to an NEC official) was: "Any situation that would lead to breaking down of the economic consultations should be avoided as far as possible." That conclusion led U.S. Trade Representative Mickey Kantor to soften his position, and say, "All that we want is to have a general framework agreed in September," and presidential aide Cutter to make the visit to convey the U.S. feelings.

Around that time, Sozaburo Okamatsu, deputy vice minister for international trade and industry, started to say, "Agreements on the government procurement and insurance sectors can be made within September, and even where the auto and auto part sector is concerned, we do not anticipate the process of taking sanctions to be taken." The economic consultations started in July, and this is the first time that the officials of the two countries said the same things as they do now—since then. That is apparently because a scenario has been agreed on, and the drama is being played according to it.

It appears certain that the insurance sector will turn out to be the first in the priority areas that will reach an agreement in the talks. Even Ira Wolf, assistant U.S. trade represenative for Japan and China, who is a hardliner, has softened his demand on delaying of liberalizing the so-called third insurance area (non-life, desease, and nursing care insurance), and expressed willingness to go for a settlement in talks that will begin on 9 September.

As for talks in the government procurement, there can be another wave of storm. While the Hashimoto-Kantor meeting is to take place in Washington on 7 September and the Kono-Kantor meeting in Los Angeles on 8 September, Robert E. Rubin, assistant to the President for economic policy, last weekend warned Takakazu Kuriyama, Japanese ambassador to the United States, against being too optimistic, admitting "there will be another row."

The main focus of the consultations is on the issue of objective criteria. Regarding access to the Japanese markets of competitive foreign products, confrontation exists between the two countries. The United States wants to be able to measure the "substantial degree of increase" in the access but Japan insists the expression should be changed to read measurement is to be made on "change" in the access. What Rubin really thinks is that even when this argument, which only the negotiators of the two nations can really understand, is settled between them by leaving some grey areas as they are, Japan needs to make some concessions. He apparently wanted to say that making such concessions is the key to having a "settlement made in the second Kono-Kantor meeting in late September."

Negotiations on the automobiles and auto part sector are more difficult. In a meeting with Deputy Vice Minister Okamatsu, Jeffrey Garten, U.S. under secretary for international trade, "did not show enthusiasm for winding up the meeting at all," according to a ranking official of the Ministry of International Trade and Industry [MITI]. Even MITI Minister Hashimoto affirms the position of not making a compromise easily, insisting, "What is impossible is impossible."

But if no progress is made at all, the U.S. Government will not be able to offer to Congress a reason for not supporting an action under the Super 301 provision at the end of September—regarding the automobiles and auto parts. When an NEC official said "we hope even only a one-half step will be made in the negotiations concerning the auto parts by the end of September," what he meant to say was that if no progress is made at all, the U.S. Government will be pressured into making a difficult choice in judgment.

Government Urged To Deal With U.S. Forces Mishaps

OW0709062494 Naha OKINAWA TIMES in Japanese 3 Sep 94 Morning Edition p 5

[Editorial: "The Government Must Show How It Will Deal With U.S. Forces Accidents"]

[Text] The Okinawa Prefectural Assembly held an extraordinary session yesterday and unanimously adopted a resolution of protest of a U.S. Forces Harrier attack aircraft crashing in the waters off Aguni Island recently and a statement of opinion seeking "investigation into the accident's cause" and "discontinuance of the aircraft's flights in Okinawa and training exercises involving these aircraft." A mission is to be dispatched to Tokyo to ask the Japanese Government to look into the case.

Even after 22 years since Okinawa's reversion to Japan, accidents involving the U.S. Military that continue to irritate the Okinawan people do not seem to diminish at all. It has long been said that military bases would be consolidated and retrenched, but hardly any of this has been realized. Military exercises continue to be repeated routinely. Okinawans continue to be threatened with imminent danger. Nothing has changed regarding their being forced to single-handedly bear the strain under the Japanese-U.S. security arrangement.

Since reversion, 130 incidents involving U.S. Military aircraft have been reported, of which 33 were aircraft crashes. The recent incident was the third one involving a Harrier. As long as military bases continue to exist on Okinawa, these mishaps will be repeated. In response to the Okinawan people's complaints, the government has only been able to make consolatory remarks saying: "We understand the people's feelings, but we are not in a position to make strong demands to the U.S. military." Such an attitude will only serve to boost the people's distrust of the government. It is desired that Prime Minister Tomiichi Murayama take some form of action to deal with the situation.

The recent accident occurred on the afternoon of 18 August when a Harrier vertical take-off and landing aircraft, belonging to the U.S. Marine Corps Aircraft Wing at Iwakuni Base, crashed into the ocean only 15 kilometers off Aguni Island. The area is directly linked with the livelihood of the people there. For example, floating fish banks have been set up in the surrounding waters. Every such accident causes the Okinawan people to feel the burden of military bases more and more.

Last April, a U.S. Forces Eagle fighter crashed and burned shortly after taking off from the Kadena Air Base runway. Two days later, a medium-sized helicopter crashed during a take-off and landing exercise at U.S. Marine Corps Futenma Air Station in Ginowan city.

What is indicated in the repeated U.S. military accidents is that training exercises are being continuously conducted on the original scale without any restraint whatsoever and without thorough investigations into the causes of such accidents and safety measures have not been reviewed. Training exercises simply cause noise pollution and show that the U.S. Military has no consideration for the Okinawan people. It is natural for the people to consider exercises as "disregard for the people's sentiments" and as "provocative acts." It can be seen that the U.S. Military is taking an arrogant attitude, falling back on the security arrangement.

CSCE Head Urges Further Contributions

OW0809045294 Tokyo KYODO in English 0420 GMT 8 Sep 94

[Text] Tokyo, Sept. 8 KYODO—The secretary general of the Conference on Security and Cooperation in Europe (CSCE) called on Japan Thursday [8 September] to play a greater role in the body, Foreign ministry officials said.

Wilhelm Hoynck, who is visiting from Monday [5 September] through Sunday, voiced expectations of Japan broadening its participation in a 40-minute meeting with Vice Foreign Minister Kunihiko Saito.

Hoynck gave high marks to Japan's role in the CSCE since becoming a special participant in the CSCE conferences in 1992, the officials said.

He told Saito it is no exaggeration to say Japan is required to make further contributions to the CSCE other than taking part in its meetings considering Japan's national strength, they said.

Japan has the right to speak at the CSCE meetings but does not hold voting rights.

In addition to extending financial cooperation, Japan has sent diplomats to join CSCE missions to Serbia and the former Yugoslavia.

Saito responded that Japan has a great interest in the CSCE and that it wants to continue making active contributions, the officials said.

Touching on the CSCE's role in the post-Cold War era, Hoynck noted that the CSCE is expected to make efforts to achieve regional peace and prosperity by cooperating with the United Nations, which is overburdened with various global problems.

Hoynck will meet Prime Minister Tomiichi Murayama later in the day. On Friday, he is scheduled to hold talks with Defense Agency head Tokuichiro Tamazawa.

Hoynck, 60, became secretary general of the CSCE in 1992. It is his first visit to Japan.

The CSCE groups 53 nations including European countries, former Soviet republics, the United States and Canada.

In a later meeting with Murayama, Hoynck thanked Japan for the role it has played so far in the CSCE and voiced expectations of extended cooperation between the CSCE and Japan.

Murayama pledged to provide the greatest possible assistance to the organization through personnel and financial contributions, government officials said.

Ruling Coalition Rules Out SDF Dispatch to Rwanda

OW0709033494 Tokyo KYODO in English 0304 GMT 7 Sep 94

[Text] Nairobi, Sept. 6 KYODO—A ruling coalition lawmaker who heads Japan's fact-finding mission to Rwanda on Tuesday [6 September] ruled out sending Self-Defense Forces (SDF) troops to the war-torn country to help refugees.

Sukio Iwatare, a House of Representatives member of the Social Democratic Party (SDP), told a press conference that the SDF should not be allowed into Rwanda because a cease-fire has not been in place.

Japan's international peacekeeping cooperation law prohibits sending the SDF to countries involved in wars.

Although the civil war in Rwanda ended with the victory of the Rwanda Patriotic Front (RPF), Iwatare insisted that a cease-fire has not been firmly established.

"Whether a cease-fire has been put into effect should be judged politically by watching the reactions from the international community," he said.

The government plans to send some 300 SDF personnel to refugee camps in the region to help Rwandan refugees.

Responding to growing calls for sending the SDF to Rwanda, the Defense Agency is reportedly studying whether action in the country could be possible under the law, provided its internal situation continues to improve.

Iwatare also said the three-party ruling coalition is considering setting up a new coordination body within the Foreign Ministry to orchestrate the activities of civil aid organizations.

Masanori Goto, another SDP lower house legislator and member of the fact-finding mission, pointed out that governmental actions are restricted by the Peacekeeping Cooperation Law.

Since civil groups can act more quickly and independently, organizing their activities to enable them to provide emergency aid is an imperative task, Goto told reporters.

The mission will leave Nairobi on Wednesday to visit refugee camps in the eastern Zaire towns of Goma and Bukavu as well as the Rwandan capital of Kigali.

They will meet President Pasteur Bizimungu and other senior Rwandan Government officials.

Murayama Renews Call for Solution to DPRK Issue

OW0809074594 Tokyo KYODO in English 0718 GMT 8 Sep 94

[Text] Tokyo, Sept. 8 KYODO—Prime Minister Tomiichi Murayama renewed a call on Thursday [8 Sep] for a peaceful solution of the North Korean nuclear issue.

"I hope U.S.-North Korea talks will go smoothly and the nuclear issue as a whole will be peacefully resolved," a Foreign Ministry official quoted the premier as saying in a meeting with South Korea's Home Affairs Minister Choe Hyong-u.

Choe, who arrived in Japan on Tuesday for a six-day visit, expressed appreciation for Tokyo's understanding of and support for Seoul's position on Pyongyang's nuclear program.

Murayama and Choe agreed on the need for Japan and South Korea to further promote their friendly and cooperative relationship so as to ensure peace and stability in the Asia-Pacific region, the official said.

ROK, Japanese Lawmakers Discuss DPRK Issues

SK0609031994 Seoul YONHAP in English 0259 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 (YONHAP)—South Korean and Japanese parliamentarians have agreed to recommend that their respective governments assist North Korea in its proposed light-water nuclear reactor project, provided that Pyongyang clears up suspicions about its nuclear history.

The agreement was reached at the 22nd joint meeting of the Korea- Japan Parliamentarians' Union and the Japan-Korea Parliamentarians' Union held here Tuesday. Rep. Kim Yun-hwan headed the Korean delegation and Rep. Noboru Takeshia led the Japanese side.

The Korean delegation took note of Japan's plans to produce plutonium for its projected fast breeder reactor-based nuclear power plants despite the fact that supplies of plutonium exceed demand worldwide and the material used in making nuclear weapons has little economic significance and safety for commercial applications.

Lawmakers from both countries discussed the legal status of Korean nationals in Japan including the issue of their suffrage, the opening of Korea's cultural market to Japan, the clearing up of Japan's past wrongdoings and bilateral cooperation in fighting pollution.

The Korean lawmakers, predicting that their country's trade deficit with Japan would surpass 10 billion U.S. dollars this year, asked their Japanese counterparts to cooperate in reducing the deficit by seeing to it that the Japanese market is opened wider to Korean products and that Japanese industries transfer more intermediate technology to South Korea.

On Monday, the Korean delegation paid a courtesy call on Prime Minister Tomiichi Murayaman and leaders of the Social Democratic, Liberal Democratic and other political parties.

Murayama Meets PRC's Li Guixian, Pledges Support

OW0709081794 Tokyo KYODO in English 0801 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—Prime Minister Tomiichi Murayama pledged Wednesday [7 September] Japan's support for China's reforms and "open door" economic policy, government officials said.

Murayama met Li Guixian, a Chinese State Councillor or a senior cabinet member, at his official residence, and told him that Japan has not changed its policy toward China although its prime minister changed three times in the past year, the officials said.

Li, who is in charge of personnel and administration management, was quoted as saying that he wants to learn from Japan how to reform China's personnel system in the future.

He was in Japan to inspect personnel management in Japan's central and local governments, the officials said.

Chubu Electric To Buy Chinese Uranium Concentrate

OW0209102394 Tokyo KYODO in English 0858 GMT 2 Sep 94

[Text] Nagoya, Sept. 2 KYODO—Chubu Electric Power Co. said Friday [2 September] it will purchase a total of 250 short tons of uranium concentrate from a Chinese state firm over five years from 1995.

Tokyo Electric Power Co. and Kansai Electric Power Co. have already completed similar agreements with the Chinese firm, China Nuclear Energy Industry Corp.

China has about 65,000 short tons of confirmed deposits of uranium and is capable of exporting 1,300 short tons annually. One short ton is 907 kilograms.

The company has already secured uranium supplies from Canada, the United States and Australia for use until 2000, but decided to purchase Chinese uranium to diversify its suppliers.

Hokkaido, Sakhalin Agree on Pay-for-Fishing Accord

OW0809080794 Tokyo KYODO in English 0727 GMT 8 Sep 94

[Text] Yuzhnosakhalinsk, Russia, Sept. 8 KYODO—The Hokkaido and Sakhalin governments agreed Thursday [8 Sep] to ask their respective national governments to allow Japanese fishing boats to operate off four Russian-occupied islands claimed by Japan provided Japan pays fishing charges.

The two regional government officials told a joint press conference that they also agreed to meet in November in Sapporo, Hokkaido's capital, to sign a document establishing a joint cooperative body in fishing and processing of marine products.

The four-disputed islands of Shikotan, Kunashiri, Etorofu and the Habomai group of islets lie off the coast of Japan's northernmost main island of Hokkaido.

The islands, referred to by Japan as its Northern Territories, were seized by the former Soviet Union at the end of World War II.

Malaysia's Anwar Urges Tokyo To Support EAEC

BK0709160894 Kuala Lumpur BERITA HARIAN in Malay 2 Sep 94 p 1

[Text] Tokyo, Thursday—Datuk Sri Anwar Ibrahim today told a group of Japanese parliamentarians that their nation needs to change their stand on the proposed East Asian Economic Caucus [EAEC].

The deputy prime minister stressed that the Japanese position, in addition to the U.S. position, stood in the way of efforts to realize the caucus, an official of the Malaysian delegation said.

The United States is opposed to the proposal while Japan does not state its position, simply saying that the idea needs further clarification.

In the meeting with seven Liberal Democratic Party [LDP] parliamentarians this afternoon, Anwar said that the EAEC will not become a trade bloc as feared by the United States, the official said.

Anwar, who was in Beijing last week, said China fully supports the EAEC and wants further action to be taken to seek full participation by East Asian nations, including Japan.

The official said Anwar told a parliamentarian in reply to a question that Li Peng himself raised the matter.

Regarding suggestions that the EAEC concept be further clarified, the deputy prime minister said the proposal has been fully understood in spite of conflicting statements.

The official said the Japanese parliamentarians told Anwar that they supported the idea of establishing a forum among nations in the region to discuss their common interests.

They also wanted to know Malaysia's position on Japan's desire to become a permanent member of the UN Security Council.

Anwar told the parliamentary group that Malaysia has not adopted a position on the matter.

The deputy prime minister held one full day of talks with Japanese businesssmen and parliamentarians to explain Malaysia's position.

Investors To Relocate Production to Thailand

BK0609083594 Bangkok BANGKOK POST in English 6 Sep 94 p 15

[Text] Prime Minister Chuan Likphai's visit to Japan has borne fruit, with some leading Japanese corporations planning to expand investment and relocate production to Thailand.

As well, Japanese financial institutions have pledged to provide credit for importing agricultural products from Thailand, said Government spokesman Aphisit Wetchachiwa.

Top executives of leading Japanese corporations meeting with Mr Chuan yesterday informed him of their plans to expand investment and relocate productions to Thailand, Mr Aphisit said.

Toshiba Corp president Fumio Sato told the Prime Minister that Toshiba would invest some 2,500 million yen (about 522 million baht) over the next three years to produce colour television tubes and semiconductors.

Mr Aphisit said Toshiba wants to use Thailand as a base of production for the Southeast Asian region.

Mitsui & Co, besides teaming up with Nippon Steel to invest in a steel project in Thailand, also plans to relocate production to Thailand. It will also encourage companies in the Mitsui group to import more agricultural and industrial products from Thailand.

Mitsui president Naohiko Kumaggi said that Mitsui sees Thailand as the top priority among countries in Asia and will use Thailand as a base to expand its business to Indochina. He said his company has already invested in Laos and Vietnam and is investing in Burma.

Marubeni Corp president Iwao Toriumi said his company is interested in the Southern Seaboard Development project, in the independent power producer (IPP) programme, and in telecommunications.

Mr Aphisit said all top bankers, including Sakura Bank chairman Ken-ichi Suetmatsu, Sanwa Bank chairman Hiroshi Watanabe, and Bank of Tokyo president Tasuku Takagaki assured Mr Chuan that they would provide financial support to importers of agricultural goods from Thailand and would help promote Thai rice in Japanese markets.

Sakura Bank will also provide investment information to Japanese wanting to invest in Thailand, and will organise a trip there for Japanese businessmen, according to Mr Aphisit.

Siam Cement Co senior executive director, Pramon Suthiwong, said executives of Mitsubishi Electric Co told him of their plan to relocate production of electronic goods to Thailand.

Mr Pramon said Siam Cement is also discussing with its Japanese partner plans for auto-parts production in Thailand.

Mr Aphisit said Shoichiro Toyoda, chairman of Toyota Motor Corp and also chairman of the Federation of Economic Organisation or Keidanren, has vowed to provide support to Thailand in producing engineers.

The Toyota chairman also reportedly assured that Toyota Thailand's new assembly plant at the Gateway City industrial estate would be completed as planned and would boost Toyota's production capacity in Thailand to 200,000 units a year.

Manila Asks Tokyo To Lift Freeze on Port Project

OW0209041594 Tokyo KYODO in English 0341 GMT 2 Sep 94

[Text] Tokyo, Sept. 2 KYODO—Philippine President Fidel Ramos urged Japan on Friday [2 September] to lift its freeze on the funding for a Philippine port project that would make hundreds of people homeless, a Japanese Foreign Ministry official said.

In a 15-minute telephone conversation with Prime Minister Tomiichi Murayama, Ramos asked Japan to end the suspension of financing the project, the official said.

The Japanese Government estimates that the project would displace 300 to 400 families from their homes, the official said.

Reports from the Philippines, however, have put the number of families affected at close to 1,500.

The Philippine Government says the families are squatters.

Japan decided to withhold funding for the project to upgrade the port facilities in Batangas, some 80 kilometers south of Manila, following violent clashes between local residents and demolition squads who razed their homes.

Ramos expressed hope that Murayama will make a decision to lift the freeze on the project by the time the two leaders meet at an unofficial summit of the Asia-Pacific Economic Cooperation forum in Jakarta in November, the official said.

In his talks with Ramos in Manila last week, the premier indicated Japan will resume funding for the project after closely monitoring the situation in Batangas.

Reports on Government Aid to Various Nations

Aid To Support Democratization

OW0609131294 Tokyo YOMIURI SHIMBUN in Japanese 5 Sep 94 Morning Edition p 1

[Text] On 4 September, the Ministry of Foreign Affairs [MOFA] decided to establish a system called "grant-in-aid cooperation for supporting democratization" (tentative name) to actively support political democratization in developing countries. The system is designed to provide developing countries with funding for holding elections by using official development assistance (ODA) starting in FY 1995. In addition to the current system—in which the government gives financial assistance to nongovernment organizations involved in helping elections to be held—the government, under the new system, will be able to give grant-in-aid support to the governments of these countries.

Several countries will be eligible for the financial support, which will be about 50 million yen in each case. They will be given such items as ballot boxes, computers for tallying election returns, and election campaign vehicles. The MOFA appropriated 300 million yen in its budget request for FY 1995.

To date, support for holding elections by using ODA has not been included in "social and economic development," which is the purpose of ODA, and it was almost impossible to give such assistance to governments of developing countries. Accordingly, Japan has been giving small scale (grass-root) grant-in-aid support to nongovernment organizations (NGO) that are supporting the carrying out of election. Moreover, the government has been giving assistance to the UN Transitional Authority in Cambodia (UNTAC) and other organizations as cooperation in providing goods in accordance with UN peacekeeping operations (PKO) cooperation laws. However, because there are many restrictions—the amount of grant-in-aid support is restricted to about 5 million to 10 million yen and is given only to countries who are eligible to have PKO carried out within their borders—the number of countries whom the government is unable to help is growing.

Because of this, the MOFA decided that "it is necessary to establish a new framework to deal correctly with the trend of democratization" (according to a MOFA official).

Tokyo To Continue Palestine Aid

OW0709140794 Tokyo KYODO in English 1031 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—Palestinian authorities will postpone elections in the Gaza Strip and West Bank beyond October because of delays caused by Israel, Palestine representative in Japan Baker Abdel Munem [name as received] said Wednesday [7 September].

The elections have already been delayed beyond July 13, the date originally stipulated in an agreement reached in Cairo in May between the Palestine Liberation Organization (PLO) and Israel.

But in an interview with KYODO NEWS SERVICE, Munem said "political and technical obstacles" caused by Israel will result in a further delay beyond the rescheduled October deadline.

Munem said the reasons for the postponement are Israel's delayed withdrawal of troops from occupied areas of Palestine and a disagreement with Israel over voting rights for Palestinians in East Jerusalem.

"We want elections as soon as possible," he said.

"We are not afraid of who will win because the one who wins will be a Palestinian.

"The Cairo agreement stipulates that on the eve of the elections, Israeli troops will be withdrawn to some specific points, but they are not moving from the West Bank.

"We cannot have elections under occupation and this was accepted in the Cairo agreement."

Munem also said Palestinian authorities are grateful for Japan's pledge last fall to provide 200 million dollars over two years for the reconstruction of the West Bank Town of Jericho and the Gaza Strip, following the historic accord between the PLO and Israel last September.

"All the money Japan is giving will go into the correct channels and will benefit all the Palestinian people," Munem said. "The money will be in good hands."

"We are very satisfied because Japan is doing exactly what it promised. They are very punctual," he said.

Munem said Japanese Government officials have told him unofficially that Japan is willing to continue to provide aid to Palestine for another 10 years.

He said he had discussions last week with "senior executives" from one Japanese company which has prepared plans for investment in projects in Palestine, including an electric power distribution network costing more than 200 million dollars as well as a hospital and airports in Gaza and Jericho.

Philippines: 1.8 Billion Yen

OW0709042294 Tokyo KYODO in English 0351 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—Japan will give the Philippines a grant-in-aid of up to 1.8 billion yen to help increase food production, the Foreign Ministry said Wednesday [7 September].

Philippine Foreign Secretary Roberto Romulo and Japanese Ambassador to the Philippines Yoshifumi Matsuda exchanged documents on the Japanese aid in Manila earlier in the day, the ministry said.

The money will be used to purchase agricultural equipment, fertilizers and agricultural chemicals, it said.

Cambodia: 600 Million Yen

OW0609040294 Tokyo KYODO in English 0335 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—Japan will extend Cambodia a grant-in-aid of up to 600 million yen to assist efforts to increase its food production, the Foreign Ministry said Tuesday [6 September].

Prince Norodom Sirivut, Cambodia's deputy prime minister and minister of foreign affairs and international cooperation, and Japanese Ambassador to Cambodia Yukio Imagawa exchanged documents on the Japanese aid in Phnom Penh, the ministry said.

The money will be used to purchase agricultural equipment and fertilizer, it said.

The latest assistance brought the Japanese aid to the country in fiscal 1994 to 9.2 billion yen.

Nepal: 1.8 Billion Yen

OW0809080494 Tokyo KYODO in English 0700 GMT 8 Sep 94

[Text] Tokyo, Sept. 8 KYODO—Japan will give Nepal a 1.81 billion yen grant-in-aid to help it finance two projects, the Foreign Ministry said Thursday [8 Sep].

Japanese Ambassador to Nepal Shigenobu Yoshida and Nepal's Finance Minister Thakur Pant [name as received] exchanged documents on the Japanese aid in kathmandu earlier in the day, the ministry said.

The aid package consists of 1.5 billion yen for a project to extend and reinforce the power transmission and distribution system in the Kathmandu valley, and 312 million yen to help Nepal purchase equipment and materials to construct elementary schools, it said.

The latest package brings the total amount of Japanese grant-in-aid to Nepal in fiscal 1994 to 5.74 billion yen, it said.

Uganda: 450 million yen

OW0809104294 Tokyo KYODO in English 1013 GMT 8 Sep 94

[Text] Tokyo, Sept. 8 KYODO—Japan pledged Thursday [8 Sep] to extend Uganda a grant-in-aid of up to 450 million yen to help the east African country's efforts to increase food production, the Foreign Ministry said.

Chief Cabinet Secretary Kozo Igarashi, also serving as the acting foreign minister, exchanged documents on the Japanese aid with visiting Ugandan Foreign Minister Kirunda Kivejinja [name as received], the ministry said.

The Japanese aid will be used to purchase agricultural equipment necessary to implement a project to increase food production and achieve self-supply of food in the future, it said.

Algeria: $50,000 in Relief

OW0609101794 Tokyo KYODO in English 0756 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—Japan will extend 50,000 dollars in emergency relief to Algeria, where a powerful earthquake killed more than 171 people last month, the Foreign Ministry said Tuesday [6 September].

The strong quake registering 5.6 on the Richter scale struck the Mascara [place-name as received] region some 300 kilometers west of the capital Algiers on Aug. 18, killing 171 people and injuring 265. The aid is in response to the Algerian Government's calls for emergency relief, the ministry said.

Ethiopia: 763 Million Yen

OW0709092794 Tokyo KYODO in English 0743 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—Japan will offer Ethiopia a total of 763 million yen as a debt relief measure and to help it purchase equipment to build small-scale irrigation facilities, the Foreign Ministry said Wednesday [7 September].

Abudul-Mejid Hussein, external economic cooperation minister, and Japanese Ambassador to Ethiopia Yasuhiro Hamada exchanged notes on the Japanese aid in Addis Ababa earlier in the day, the ministry said.

Of the amount, 705 million yen will be extended to help Ethiopia purchase construction equipment to implement its project to develop small-scale irrigation facilities in the country's five regions, it said.

The aid package also includes 58 million yen to cover debts for which repayment fell due in the latter half of fiscal 1993 but on which capital and rescheduled interest have not yet been paid.

Gambia: Aid Halted

OW0709113994 Tokyo KYODO in English 1052 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—Japan will stop extending any fresh aid to Gambia following a military coup there July 22, Foreign Ministry Spokesman Terusuke Terada said Wednesday [7 September].

Japan has been watching developments following the coup but decided to halt the aid for the time being because the military government has not hammered out specific or effective measures to transfer power to a civilian government, Terada said in a statement.

The Japanese Government will stop offering the aid to the West African nation in line with its guidelines for official development assistance (ODA), the statement said.

Japan will consider whether to resume the aid when the military government expresses firm intention to transfer power to civilians and hammer out a reasonable timetable to do so, it said.

Hearing Held on Tax Cuts, Hike Under Same Law

OW0209131194 Tokyo KYODO in English 1147 GMT 2 Sep 94

[Text] Tokyo, Sept. 2 KYODO—Consumer leaders and business executives disagreed Friday [2 September] on the proposed implementation of tax cuts and a rise in the general consumption tax under the same legislation at a hearing sponsored by the ruling coalition's project team in charge of tax reforms.

Yutaka Kume, vice chairman of the Federation of Economic Organizations (Keidanren), supported the proposal but added that the timing of a hike in the consumption tax from the present 3 percent should be determined in light of economic conditions.

Teishin Mori, vice chairman of the Japanese Consumers Cooperative Union, expressed opposition to a proposal to work out before the end of the year legislation combining tax cuts and a consumption tax increase, saying it is premature.

Koichi Nakagawa, an official in charge of policy at the Japanese Trade Union Confederation (Rengo), said the consumption tax should be kept unchanged until a numbering system for taxpayers, which he said would contribute to fair taxation, is introduced.

Tax Panel To Lower Ceiling on Corporate Reserves

OW0709132994 Tokyo KYODO in English 1212 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—A ruling party project team studying tax reforms decided Wednesday [7 September] to consider the possibility of lowering the maximum amount of reserves kept by corporations to cover losses and retirement allowances, officials said.

The officials said the downward revision will be made in the course of a revision of the tax system in fiscal 1995 in order to eliminate unfair taxation.

A lower tax rate is applied to such reserves, and consumer groups claim that companies are using them to ease their tax burden.

Corporations are allowed to keep reserves at a certain proportion of their outstanding loans to cover possible losses.

Debates on the issue will encounter rough sailing as the Liberal Democratic Party, the largest of the three-party ruling coalition, is opposed to such a move, political sources said.

They said the government's revenues from the corporate tax will increase about 1 trillion yen if the ceiling of such reserves is lowered to a reasonable level.

In Germany and France, corporations are allowed to keep loss reserves based on the actual amount of losses they incurred in the past, they said.

Businesses Urges Government To Promote Tax Reform

OW0509032894 Tokyo KYODO in English 0309 GMT 5 Sep 94

[Text] Tokyo, Sept. 5 KYODO—A prominent business leader urged the government Monday [5 September] to promote tax reforms and draft the national budget for the next fiscal year in a way that should help reorganize the export-oriented economy.

Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), also called for setting a target to cut Japan's current account surplus and reforming the rigid system that has regulated production and distribution of rice for decades.

Hayami made the requests when he met Masahiko Komura, director general of the Economic Planning Agency (EPA), and EPA Vice Minister Tsutomu Tanaka.

Komura told Hayami that he will make all-out efforts to carry out a tax cut in a package with a raise in the consumption tax as sought by the Finance Ministry.

But Komura took a cautious stance on setting a target to slash the current account surplus, a source of trade disputes between Japan and its major trading partners such as the United States.

On the state of the economy, Hayami voiced doubt about whether the government's official economic growth target of 2.4 percent for the current fiscal year can be met.

But the EPA's Tanaka said bright signs on the economic front are bringing the target close to the real situation.

In its latest monthly report on the economy, the EPA did not declare economic recovery, although pointing to bright economic signs.

Editorial Urges Tax Cuts Tied to Spending Cuts

942A0650A Sapporo HOKKAIDO SHIMBUN in Japanese 29 Aug 94 p 2

[Editorial: "Tax Cut and Administrative Reform Should Be Done as a Single Deal"]

[Text] The coalition parties' tax system reform project team (coalition party Tax Council) has entered into the final phase of a discussion about the formulation of a tax system reform plan that encompasses the goals of income tax cuts and offsetting fiscal revenue source measures to be implemented beginning next year.

At the present stage, plans have been solidified for procedures for determining a draft of the tax system reform outline by 13 September and to continue with an income and residential tax cut of the same rate for both this year and next year, but confusion still reigns in connection with the critical issue of debate concerning offsetting revenues to compensate for tax reductions.

Amidst this confusion, the issue of greatest significance is that concerning the "combined disposition" of income tax cuts and consumption tax increases. It is said that, in this connection, proposals have been made to reduce the tax cuts as a means to reduce future consumption tax hikes.

Proposals to reduce tax cuts involve the combining of permanent tax reductions by revising tax rates by income levels along with a fixed-rate temporary cut similar to that implemented this year, and the discontinuation of the fixed-rate portion when the consumption tax is hiked at a proportionately lower rate.

When faced with difficult fiscal circumstances, we cannot help but avoid a reduction in income tax cuts during economic recoveries. However, if such debate is based on the idea that "tax increases are unavoidable," we have some additional thoughts to be stated here.

Immediately following the initiation of the coalition government, Prime Minister Murayama and Finance Minister Takemura announced that continuation of income tax cuts will not be premised on an increase in consumption taxes and were supposed to have promised that they would first engage in administrative and fiscal reform.

A coalition party administrative reform project team has been launched to prepare a concrete plan visualizing such a goal and to restructure special government corporations.

A draft plan compiled by the Sakigake [Harbinger] new party indicates the potential to reduce fiscal expenditures by 1.7 trillion yen annually by consolidating or abolishing special government corporations or cutting subsidies and that non-tax revenues totaling 16 trillion yen can be realized by selling stock in such special government corporations.

Additionally, if steps were taken to extend reform to the central government ministries and agencies, there is no doubt that we can create even greater savings. If we were to correct unfair tax systems inherent in the "tax benefits" associated with the consumption tax, we could realize a considerable increase in tax revenues as well as an incremental increase associated with any economic recovery.

Despite the fact that there are a multitude of actions that should be taken before any tax increase, it appears that the Coalition Party Tax Council is about to attempt the balancing of revenues and expenditures within the framework of the tax system. This was an error committed by the former coalition government parties and the government Tax Council and is the exact outcome that bureaucratic organizations hope for in their desire to destroy administrative and fiscal reform.

The Coalition Party Tax Council must make itself aware of the fact that tax system reform should not be restricted to considerations within the tax system, but should involve the combined approach covering administrative and fiscal reform including a review of revenues and expenditures.

In other words, the council must discard the premise of an "inevitable tax increase" and make an all-out effort together with the administrative reform team to engage in administrative restructuring and curtailment of wasteful expenditures.

If it is a case where adequate time cannot be allocated to compile a draft outline for tax system reform, we may have no choice but to proceed with a tax cut to be offset by the issuance of interim government bonds. However, in that event we cannot tolerate a "combined measure" which calls for increased consumption taxes to be implemented several years later or the mere expression of political will to take such future action.

The "combined measure" required in conjunction with an income tax cut is administrative and fiscal reform and not a tax increase. If such an approach were to be taken, the public would probably not be reluctant to accept a cut back in tax cuts, if major offsetting revenues could not be identified.

Editorial Urges Measures for Consumer Recovery

942A0663A Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Aug 94 p 2

[Editorial: "Policies, Corporate Efforts To Have True Reovery of Consumption"]

[Text] July sales figures published by the Japan Chain Store Association for supermarkets nationwide indicate that sales rose 2.8 percent over the prior-year period for the first time in 23 months. Ministry of International Trade and Industry [MITI] statistics indicate sales of large-scale retail stores including supermarkets in July rose from prior-year figures for the first time in 26 months. Supermarket sales continued their favorable trend in August and should add to the brightening consumer indices.

The increase in supermarket sales is attributable to three favorable developments including the record-breaking "hot weather," the "income tax cuts," and the extension of store operating hours made possible through "deregulation." The hot weather contributed to good sales of beer and mineral water and became the "tail wind" for boosting sales of leisure time products which were slow last year. Income and residential tax cuts had a favorable impact on the sale of major domestic appliances.

Many stores extended their operating hours one hour in the evenings to 2100 based on the revision of the Large-Scale Retail Store Law, attracting patronage by "families who avoided the hot daytime hours." Development of private-brand merchandise has progressed, marking the wider availability of sales methods and products that are compatible with consumer needs.

The upturn in supermarket sales along with favorable overseas travel trends and double-digit increases in new car sales all confirm a recovery in personal consumption. However, Japan Chain Store Association Chairman Toshifumi Suzuki comments, "Summer goods definitely sold well, but it was a weather-related phenomenon and we are not in a position to celebrate in an unqualified manner." Many sources such as MITI assume a cautious stance in saying, "There is the possibility that retail buyers will return to their old buying patterns after August."

Noteworthy was the fact that department store sales which are heavily weighted in gift-item purchases showed negative growth in July and Management and Coordination Agency family surveys for June concerning nationwide household consumption expenditures published at the end of July showed a 0.6 percent decrease over the same month last year on a nominal basis. Even on a price-adjusted basis, the real change translated into a negative figure for the fifth month in a row. Recovery in corporate profitability is lagging and widespread employee layoffs are spreading. We cannot afford to simply reject as being "overly concerned" the cautious argument that consumption will return to the presummer trends once the hot weather and income tax cut effects diminish in the fall. There is probably a need for government policies and corporate efforts to bring credibility to the recovery in consumption.

Consumption expenditures for June were on the slow side, except for salarymen families who benefited from a tax cut at the end of the month and increased consumption by 0.5 percent. This means that the tax cuts had a beneficial effect. The supermarket experience demonstrated the usefulness of deregulation. We should relax regulations on store closing hours under the Large-Scale Retail Store Law and make operating hours a discretionary item for store operators.

Recessionary trends in consumption have been clearly demonstrated as being attributable to the lack of corporate efforts. The 29th month of decline in sales over prior-year figures in July was a reflection of the dependence of department store sales on corporate gift-sending demand and the lack of merchandising strategies that accompany some degree of risk assumption by department stores. This summer witnessed favorable sales of form-retaining shirts and wear-resistant lipstick—proof that manufacturers can boost sales if they come up with attractive merchandise.

Future personal consumption trends should be favorably impacted by progress already made in decreased inventories. The Economic Planning Agency's survey of principal durable goods shows that we can expect an upturn in replacement buying, indicating that corporations can assume a more aggressive stance.

Debate on Scope of Defense Policy Review

942A0497A Tokyo SEIKAI in Japanese Jul 94 pp 40-44

[Article by journalist Hiroyuki Munakata: "Defense Agency in Quandary; Self-Defense Forces Jittery"]

[Text] *The "Defense Policy Council" (chaired by Hirotaro Higuchi, chairman of Asahi Breweries), a private advisory body set up by former Prime Minister Morihiro Hosokawa for the purpose of reviewing Japan's defense policy, held its ninth meeting on 11 May, marking the beginning of its effort under new Prime Minister Tsutomu Hata to put its views together toward a report to be readied by this summer. But caught by a strange turn of political events that had led to a change of prime minister, its advisee, within just two months of its late February inception, the council's attempt to drastically review defense policy for the first time since the end of the war has run into a difficult situation.*

The Council's Worsening Headache

A meeting of the Defense Policy Council, held on the morning of 11 May at the Prime Minister's Official

Residence, was attended for the first time by Prime Minister Tsutomu Hata in place of Mr. Hosokawa who had resigned as prime minister in late April. At the meeting, Prime Minister Hata stated, "By sometime this summer I would like to have your views on the framework for a new defense plan," indicating his intention to stay with the original course set by Mr. Hosokawa; however, the ensuing discussion among the council members promptly brought to the fore a divergence of opinion regarding the contents of the report due in summer.

Council member A: "Although we have thus far been dealing with a broad range of subjects in our discussion, I question whether it is expected of us to exercise that much authority. I think we should limit our role to simply providing a guideline for the basic defense policy."

Council member B: "On the contrary, I think it is perfectly all right for us to keep on covering as broad a range of subjects as we have been doing. Also, I do not believe we should place any constraint on the contents of the report."

Regarding the summer report, ever since the council's inception there had been a latent conceptual difference among its members on the question of how extensive and probing the report contents should be—for instance, should the scope of the Self-Defense Forces be redefined in the report? It was this latent difference that was finally brought to the fore during the 11 May discussion.

In the end, the session failed to produce a conclusion; the council merely agreed to continue deliberation at the next session, but to do so using the same approach as before, that is, "deliberation shall cover a broad range." The discord emerged at this session was only a small part of the conceptual differences that exist within the council.

Moreover, what is troubling the council right now is the fact that "the political intent is not being spelled out clearly" (a council member).

Although the speculation was that Mr. Hosokawa, when he set up the council, was acting from "a simple perspective that it was strange for Japan's defense policy to remain unchanged in the wake of the cold war's collapse," his subsequent actions, such as calling for "demonstration of initiatives toward an era of arms reduction" seemed to indicate his keen interest in controlling the defense budget and scaling down the Self-Defense Forces. Prime Minister Hata, on the other hand, obviously in deference to the inclinations of his political parent, Shinseito [Japan Renewal Party], is calling for the strengthening of the defense structure and active contributions to international causes, indicating a defense view different from Mr. Hosokawa's.

As a result of the change of prime minister, there is a strong view that "the council's orientation is bound to shift from the Hosokawa position favoring arms reduction to the Hata stand for stronger defense" (a government source), but the fact is that "hardly any concrete instruction has been forthcoming from the prime minister or anyone else within the ruling party" (a Defense Agency source), creating a situation where "nobody knows what direction the council should aim for" (the same Defense Agency source).

Furthermore, some are beginning to voice their flagging interest in the whole affair, saying: "With the withdrawal of the Social Democratic Party of Japan from the coalition government, it is an open question as to whether the resulting minority ruling coalition can hang on to power until the summer when the council's report is due. Even if a fine report is put together, the likelihood of its recommendations being implemented is slim; for this reason, chances are that nobody will pay any attention to the report" (a reporter covering the Defense Agency). All this has put the council in a very delicate situation.

The North Korean Issue: A "Favorable Wind" for the Defense Agency?

Although it seems that the Defense Policy Council is proving to be somewhat overrated to begin with, there is one thing for which the council is still looked upon with hope and interest by those concerned, and that is the question of Japan's response to the suspected development of nuclear weapons by North Korea (the Democratic People's Republic of Korea) and how this question should be tied into the council's upcoming report.

Regarding the nature of its deliberation, the council says, "It is not intended to take up specific matters; its purpose is to broadly examine defense policy in general"; however, it is also true that some are saying, "It is impossible to deliberate without taking into consideration the North Korean issue that confronts Japan" (a council member).

As a matter of fact, at the council's fifth meeting held on 6 April, while the discussion was on the subject of doing a study of "emergency legislation," someone on the council asked, "Shouldn't a study be undertaken relative to joint actions with the United States?" This question brought out the view that how Japan and the United States should act jointly to deal with the trouble on the Korean peninsula is a subject well worth an advance study. Also emerged at this meeting was a positive view favoring Japan's participation in the theater missile defense (TMD) plan, which is being pushed by the United States, in order to counter North Korea's development of missiles.

Taking steps to deal with an emergency situation on the Korean peninsula "was a taboo subject even to discuss during the cold war years because of the prevailing interpretation of the Constitution barring the right of collective self-defense" (a Defense Agency source), but "this taboo has finally been lifted, even from the standpoint of public opinion, as a result of the emergence of a visible threat in the form of the North Korean issue" (the same source).

But another leading official of the Defense Agency voices his concern that "any linkage to the North Korean issue is liable to destroy the whole debate." "The deliberation the council is having is," he continues, "something essential to the interest of national security, regardless of whether the North Korean issue is present or not. Yet, any perception that the debate is about how to deal with North Korea would immediately lead to a situation that the whole exercise is a 'preparation for war.' In this sense, the council's activity would have a better chance of gaining an unadulterated understanding if the North Korean situation remained calm."

Immediately after assuming power, the Hata administration attempted to initiate a review of the way the Constitution was being interpreted in conjunction with Japan's possible counteraction against North Korea; in the end, however, it had to call off the attempt in the face of strong opposition by the Liberal Democratic Party and the Social Democratic Party of Japan. The same kind of reaction could surface in the council's upcoming report as well; thus, viewed in terms of its possible impact on the council's report, the North Korean issue may prove to be a double-edged sword.

The Man Controlling the Defense Restructuring Plan

The council is made up of nine members who are: Hirotaro Higuchi, chairman of Asahi Breweries, who chairs the council; Ken Moroi, chairman of Chichibu Cement; Seiki Nishihiro, former deputy director general, Defense Agency; Hajime Sakuma, former chairman of the Joint Staff Council, Defense Agency; Yoshio Okawara, former ambassador to the United States; Shinji Fukugawa, former vice minister of international trade and industry; Toyoo Gyoten, former comptroller, Ministry of Finance; Akio Watanabe, professor at Aoyama Gakuin University; and Kuniko Iguchi, professor at Jochi University. Of them, the one who plays the central role on the council is Mr. Nishihiro, who is known as "Mister Defense Agency."

It is Mr. Nishihiro who last September was asked personally by the then Prime Minister Hosokawa to set up the council, and the selection of those now serving on the council "was done mostly by Mr. Nishihiro himself" (a Defense Agency source).

Eighteen years ago, then serving as chief of Defense Planning Division at the Defense Agency, Mr. Nishihiro took part in the formulation of the National Defense Plan Outline which is still in effect today; later, in his capacity as deputy director general of the Defense Agency, he was responsible for the preparation of the current Mid-Term Defense Buildup Plan (fiscal 1991 through fiscal 1995). These and other features of his past indicate that he has always been at the center of Japan's defense policy formulation. As such, one would think he and the Defense Agency should be of one mind, but it is said that "not all is well between Mr. Nishihiro and the Defense Agency" (a Defense Agency source).

"Going back to the days of his active service in the defense bureaucracy, Mr. Nishihiro was a man who always had his own ideas about defense reform plans; yet, when it came to making policy decisions on defense matters including the makeup of the current National Defense Plan Outline, he was never fully able to have his own way because of his lack of political clout, for one thing. This is one of the reasons why he is strongly critical of the existing defense policy; he is now trying to use the council as a means to fulfill his long-cherished dream on defense reform" (a reporter covering the Defense Agency). As a matter of fact, throughout the council's deliberation," he has been one of the most vocal members in expressing anti-Defense Agency views" (the same source).

Thus, there is no way the current leadership of the Defense Agency can be happy about what Mr. Nishihiro is saying and doing. One concerned Defense Agency insider bares his strong displeasure as follows: "Once again Mr. Nishihiro is trying to steer all by himself Japan's defense policy that has failed because of his own inadequacies. But it is extremely dangerous to allow one individual's view to be the cause of changing an important national policy."

The reason for the Defense Agency's strong displeasure "is that Mr. Nishihiro is steering the council with hardly any consultation with the Defense Agency" (the same concerned insider).

"The Defense Agency has been conducting its own review of defense policy through an in-house mechanism called the 'Defense Capability Study Council', and naturally its strong inclination is to decide on a new policy at its own initiative. But, given the central role Mr. Nishihiro is playing on the council, there is a sense of crisis within the Defense Agency that the council could come up with a report, prepared in complete disregard of the Agency's views, and may try to force such a report on the Defense Agency" (the same concerned insider).

In the council's upcoming report, Mr. Nishihiro is said to be "poised to call for a major cutback of the Ground Self-Defense Force [GSDF] and a dramatic strengthening of the Japanese-U.S. security setup" (a reporter covering the Defense Agency). But any scheme calling for a reduction in size of the GSDF will have to be implemented by none other than the Defense Agemcy; hence a rising voice within the Defense Agency that "it will be too much for the Defense Agency to bear if it became the butt of criticism for a scheme devised by someone else" (a Defense Agency source).

Especially in view of the fact that, "when it comes to the question of cutting back the size of the GSDF, all members of the council are enthusiastically in favor of it, and some of them are even entertaining the idea of specifically quantifying the cutback in the report" (the same reporter cited earlier), the speculation is that "the Defense Agency is more than likely to do all it can to prevent, if nothing else, at least the inclusion of such specific cutback numbers in the report" (the same reporter). Thus, all indications are that there will be a furious offensive and defensive battle between Mr. Nishihiro and the Defense Agency over the final makeup of the council's report.

GSDF Striking Back

The question is, How do the Self-Defense Forces themselves feel about the force reduction plan which the council, led by Mr. Nishihiro, seems to be pushing actively?" Each branch of the service—the Ground, the Maritime, and the Air—has a different view toward the council. On the basis of the council's deliberation thus far, it is certain that the report will contain a call for strengthening the air defense system, including defense against missiles; for this reason, the Air Self-Defense Force is looking forward to the report with great expectations. Likewise, the Maritime Self-Defense Force, too, is expecting the council to call for the modernization of their current outdated equipment; at the same time, however, they are wary of the prospect of force restructuring as part of the modernization.

"It is the GSDF that has been struck with the strongest sense of crisis: Any major reduction of its manpower, it is afraid, would not only cause a serious morale problem within its units but would also correspondingly diminish its status as the dominant component among the three self-defense forces" (a reporter covering the Defense Agency).

Feeling threatened by the prospect of a major cutback, the GSDF launched a public relations campaign at the beginning of this year: at a rate of about once a month, it has been holding a "study session" for the reporters, in which the scope, organization, and functions of the GSDF are spotlighted. Also, it is said that the Defense Division within the Office of Staff Director is taking the lead in this preparation of a GSDF reorganization plan premised on a "limited cutback."

As for the GSDF's scope, under the existing National Defense Plan Outline its authorized strength is set at 180,000 men, but its current actual strength is some 150,000 men or only 83.5 percent of the full strength. Organizationally, it consists of 13 divisions—some with 9,000 men and others with 7,000 men to a division in terms of authorized strength; however, the reality is that the GSDF is having operational difficulties due to the poor ratio of filling the authorized strength—the ratio that gets worse as the unit goes further down on the structural ladder.

A leading officer of the GSDF had this to say: "It is not that we think it is proper to keep the GSDF as it is; rather, we believe there is a need for reorganizing it to make it a self-defense force appropriate for the new era. Nevertheless, those now calling for a cutback of the Self-Defense Forces are, we believe, being carried away too far by the mood of the time. Even though the danger of Japan's being attacked directly by another country has diminished, this does not mean such a possibility is nonexistent.

"Suppose we are confronted with an emergency: What would be the consequence if we find ourselves lacking in manpower? Would the people buy the notion of enough defense to correspond with the size of available manpower?

"Even in peacetime, the GSDF plays a part in such activities as disaster relief and PKO (peacekeeping operations); the impact of a cutback reducing the GSDF's capability to perform these functions should be another subject warranting a cool-headed discussion."

Be that as it may, the council members' position favoring a smaller GSDF is strong. A leading official of the Defense Agency says, "The council was established by an advocate of arms reduction in the person of former Prime Minister Hosokawa; consequently, it has willy-nilly got stuck with an image that its purpose of being is to reduce the size of the Self-Defense Forces. Its members, too, have fallen captive to the notion that they must come up with a report containing a well-founded argument for such a cutback because public opinion would not settle for anything less."

A certain member of the council, with much ardor, says, "Specific figures will be mentioned in the report regarding the extent of cutback. If not figures, a percentage at least."

But the GSDF side, too, is poised to put up an all-out fight: "If they plan to mention figures in the report, they better listen to our view beforehand. We are prepared to accept some cutback, but we will simply refuse to go along with a reduction that would endanger national security" (a staff officer of the GSDF).

Foreign Ministry's Expectations

Meanwhile, although it is not directly involved with the council, the Ministry of Foreign Affairs [MOFA] is watching with keen interest to see how the council's report will turn out. The reason for this is that the report is expected to deal with such questions of great concern to MOFA as the Japanese-U.S. security system, the PKO, and the intelligence collection function, and that what specifically the report says about these issues is likely to have a significant impact on Japan's foreign policies.

Especially the North American Affairs Bureau of MOFA is harboring great expectations in this regard: "Chances are that the council's report will include recommendations for Japan's signing of an acquisition and cross-servicing agreement (ACSA) and participating in the Theater Missile Defense (TMD) plans, both of which the United States is pushing for strongly. These are the issues that we have long been unable to resolve due to the obstacles posed by Japan's politics; if the council's report should lead to their favorable resolution, it will facilitate all kinds of other negotiations with the United States" (a leading official of the bureau).

An ACSA is an onerous accord between the United States and another country; it requires the other signatory to provide necessary assistance to the U.S. military in obtaining billets and supplies at the time of conducting joint training exercises. The United States has signed this agreement with NATO countries and others such as South Korea and Australia, but not yet with Japan. The TMD is an antimissile system designed as a defense against ballistic missiles; the United States is seeking from its allies an agreement to share the cost of the system's development and to accept future deployment of the system. On both of these issues, despite repeated requests by the U.S. Government, Japan has withheld replies because of the expected opposition by, among others, the Socialist Party, now known as the Social Democratic Party of Japan. But once the council comes up with a favorable report, a movement toward a speedy resolution of these issues would be a possibility.

On the question of PKO, too, if the council's report takes a stand strongly in support of Japan's establishing an organization specializing in this matter and also participating in international peacekeeping forces (PKF), it will make it that much easier for MOFA to push for the realization of one of its policy goals—Japan's permanent membership on the UN Security Council. This is all the more reason why MOFA is pinning great expectations on the council's report.

There are, however, some within MOFA who tend to express their anxiety more than their expectations. Their anxiety has to do with a possible move to strengthen the intelligence collection formation of the Defense Agency or of the Self-Defense Forces. Their reason is this: "If the Defense Agency gains the status of a comprehensive security arm of the government as a result of the strengthening of its intelligence collection function, it is likely that all security-related intelligence information will converge into the Defense Agency" (a MOFA source). For this reason they say, "Any strengthening of the intelligence collection function will have to be a structural one centered around MOFA; if not, we cannot support it" (the same MOFA source). By saying so, they are already indicating their readiness to meddle with the contents of the council's forthcoming report.

New Defense Policy Without the People's Consent?

Perhaps as a precautionary move against such offensive posturing by various government agencies, the council started to restrict public disclosure of the details of its deliberation beginning its 11 May meeting, at which the final process of consolidating the council's views commenced. This has led to growing discontent among the reporters covering the Defense Agency. One of them voices his criticism as follows: "At his press conference following the council's meeting, Chairman Higuchi refuses to disclose the main points covered during the session, saying that he would 'rather not talk about specifics because deliberation is still continuing.' Even when we ask him a specific question, he responds with a tantalizing reserve, making it impossible for us to find out what the council is discussing. If this continues, it will be a case of deliberation detached from the people."

From the council's standpoint, the nondisclosure stance seems to be based on the council's desire to put together a report without being subjected to pressure from the concerned government agencies or political quarters, but there is the danger that as a consequence a report having to do with an important policy shift will emerge while the people are kept completely uninformed.

A defense expert points out: "It is problematic to allow a council made up of only nine members to settle the question of what our national defense posture ought to be. Rather than putting forth one conclusion, the council should provide a set of options so that the people can make the choice.

"National defense is not something that can be achieved by a group of experts or bureaucrats. I should think that the most important role for the council to play is to help formulate a new national defense structure with the consent of the people."

Japan's defense policy has become outmoded and askew because the people have been kept ignorant of the facts and public debate on defense issues has been avoided. It is hoped that the council, charged with an important task—the first of its kind since the end of the war—will carefully reflect on this point and accord due importance to the matter of having a dialogue with the people.

Polls Indicate Rate of Support for Murayama

MAINICHI: Dropped to 34%

OW0709231294 Tokyo MAINICHI SHIMBUN in Japanese 7 Sep 94 Morning Edition p 1

[Text] In MAINICHI SHIMBUN's nationwide opinion poll conducted 2-4 September, the approval rate for Prime Minister Tomiichi Murayama's cabinet was at 34 percent, with the disapproval rate at 24 percent.

Compared with our previous telephone poll (conducted on 31 July), both the approval and disapproval rate dropped by 6 and 7 percentage points, respectively. On the other hand, 38 percent of the total respondents are "not interested" in the Murayama cabinet or politics, up 11 percent from the July survey. The formation of the coalition among the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and the Sakigake [Harbinger] aroused a hot controversy across the nation, but the political confusion is passing its peak. In connection with this, the public is losing interest in the political scene while the cabinet's approval rate is still relatively higher than its disapproval rate.

In the previous survey, 58 percent of pro-LDP respondents said they support the Murayama cabinet, but the figure dropped to 42 percent, and the "not interested" answer rose from 22 to 36 percent. About 50 percent of those who support no party also gave the "not interested" answer.

The Murayama cabinet was supported by about 40 percent of those in the age group of 40 to 64. But over 50 percent of those in their 20's said they are not interested in the administration.

Those who support the LDP or no specific party showed great expectations for the SDPJ's introduction of realistic policies under the Murayama cabinet. However, it appeared in the survey that their Murayama fever is dwindling. One view is that the Murayama cabinet has entered "low-altitude cruising."

Another viewpoint is that the public's indifferent attitude toward politics is probably due to of lack of major political controversies during the summer recess.

NIHON KEIZAI: Rises to 41.6%

OW0709230594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Sep 94 Morning Edition p 1

[Text] A 2-4 September nationwide telephone poll by NIHON KEIZAI SHIMBUN showed that the approval rate for the Murayama cabinet rose to 41.6 percent, and the disapproval rate dropped to 32.9 percent. In our survey conducted immediately after the inauguration of Prime Minister Tomiichi Murayama, the approval and disapproval rates were 29.9 and 42.0 percent, respectively. Two months later, the public softened negative reactions to the coalition among the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and the Sakigake [Harbinger]. Over 50 percent showed approval for a consumption tax, but 67.6 percent opposed implementation of an income tax cut and a consumption tax hike at the same time. Regarding Japan's permanent admission to the UN Security Council [UNSC], 52.1 percent called for careful consideration. In addition, over 50 percent welcomed the SDPJ's policy conversions under the Murayama administration.

In the telephone poll, we interviewed 3,000 individuals nationwide, and obtained responses from 63.0 percent of the interviewees.

The upturn in the Murayama cabinet's popularity is because the respondents softened their negative reactions to the tie-up between the LDP and the SDPJ. Also, 48.9 percent said Murayama is a trustworthy person, and 27.0 percent noted Murayama is a clean politician. In our previous survey in July, only 32.2 percent of pro-LDP respondents supported the Murayama cabinet; however, in the September survey, 50.4 percent of those supported the socialist-led coalition government. It appeared voters are overcoming allergic reactions to the LDP-SDPJ tie-up.

The approval rates for the three ruling parties all showed upturns from those in our previous survey. The approval rate for the LDP rose from 29.8 to 31.4 percent, the SDPJ from 13.3 to 15.4 percent, and the Sakigake from 4.1 to 4.4 percent. In contrast, the approval rates for the Shinseito [Japan Renewal Party] dropped from 10.8 to 8.8 percent, and the Japan New Party [JNP] dropped from 3.9 to 2.6 percent. The downfall of the JNP is especially remarkable as its approval rate was at about 10 percent when Morihiro Hosokawa was serving as prime minister.

When asked about policy debate on a consumption tax hike to cover revenue for an income tax cut, 51 percent said the tax hike is "preferable" or "acceptable to manage the aging society." On the other hand, negative responses to the consumption tax hike remained at 46.4 percent. In response to another question on a simultaneous implementation of an income tax reduction and a consumption tax hike, however, only 25.0 percent said it is "preferable," and 57.6 percent said no to the proposal.

In response to a question asking whether or not Japan should join the UNSC as a permanent member, 25.5 percent said "yes," and 10.6 percent said "Japan may join the UNSC if other nations support it." While only 5.3 percent said "no" to the question, 52.1 percent said "Japan should carefully consider its course of action." Thus, many voters still think Japan's immediate admission to the UNSC is questionable.

The majority of pollees showed positive responses to the SDPJ's shift to realistic policies under the Murayama administration. To our question, 55.4 percent welcomed the SDPJ's policy changes on such issues as the constitutionality of the Self-Defense Forces.

Hashimoto Most Favored as Murayama's Successor

OW0709212094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Sep 94 Morning Edition p 3

[Text] The most popular candidate for successor to Prime Minister Tomiichi Murayama was Minister of International Trade and Industry Ryutaro Hashimoto, while former Prime Minister Toshiki Kaifu placed second. Deputy Prime Minister and Foreign Minister Yohei Kono also received considerable support. Such were the data gathered from responses to the question of which Japanese leader the pollees support or admire most as successor to Murayama.

The three top ranking candidates, Hashimoto, Kaifu, and Speaker of the House of Representatives Takako Doi enjoyed a comfortable lead. Kono gathered 10.7 percent support to come in fourth.

While Kono is the president of the Liberal Democratic Party [LDP], he has always been behind Hashimoto in popularity. However, with the recent active debate on Japan's permanent membership in the UN Security Council, and his frequent recent public appearances—

such as the "meeting of three party heads"—he has increasingly been making his presence felt.

Hashimoto kept the top spot at 15.0 percent. Kaifu, who bolted from the LDP, placed second at 14.2 percent, while Doi gathered 11.9 percent support. This order was unchanged from another poll conducted in May.

Coming after third runner-up Kono is former Prime Minister Tsutomu Hata at 8.1 percent. He seemed to have been surpassed by Kaifu in popularity as the leader of the proposed new-new party [shin shinto]. Another candidate for the leader of the new-new party, former Prime Minister Morihiro Hosokawa, had the support of only 3.5 percent. He fell behind even Finance Minister Masayoshi Takemura (6.4 percent).

However, Prime Minister Murayama had a support of only 0.6 percent in the survey conducted in May during the Hata administration, placing last among 10 candidates. In that sense, all the above candidates have the potential to become prime minister.

LDP's Kato on Possibility of Merger With SDPJ

OW0709175294 Tokyo YOMIURI SHIMBUN in Japanese 6 Sep 94 Morning Edition p 2

[Text] Koichi Kato, chairman of the Liberal Democratic Party [LDP] Policy Research Council, held an informal meeting with reporters on 5 September at a hotel in Hakone-cho, Kanagawa Prefecture, and commented on a "plan to form a new party between the LDP and the Social Democratic Party of Japan [SDPJ]." He said: "We have started hearing suggestions that this should be done among the three ruling coalition parties. I think that is one possibility." Kato indicated that toward that end, it will be necessary to settle the following problems: 1) policy coordination between the LDP and SDPJ regarding domestic and foreign affairs; and 2) deepening of understanding by holding discussions with labor unions which serve the basis of support for the SDPJ.

Regarding tax system reform, Kato said: "It is quite difficult to include tax hikes and the amount of hikes in a single package of tax reform bills, but I feel we can arrive at a certain level of agreement through discussion among the three ruling parties." He thus indicated that he hoped to coordinate views among the ruling parties toward including tax cuts and hikes in a single package of tax reform bills.

Meanwhile, former Construction Minister Taku Yamasaki, who also attended the informal gathering, disclosed that the "Group New Century," a policy study group he has formed with Kato and others, plans to call on the "New Minshu Rengo," a policy study group formed around former SDPJ Chairman Sadao Yamahana, to promote interchanges among members.

Ministry Cites Drop in Political Contributions

OW0809093694 Tokyo KYODO in English 0906 GMT 8 Sep 94

[Text] Tokyo, Sept. 7 KYODO—Tax-free political funds collected by parties and groups in Japan during 1993 decreased from the year before for the second consecutive year, totaling 171.3 billion yen, the Home Affairs Ministry said in an annual report released Thursday [8 Sep].

Despite the general election in July, the total figure for all parties and groups was down 1.5 percent from 173.9 billion yen recorded in 1992.

Ministry officials said the economic slowdown and popular calls for political reform led to a decline in political donations from corporate sources.

The ministry report was compiled from submissions from 4,271 political parties and groups.

The nation's eight main political groups collected 85.8 billion yen. The eight are the Japanese Communist Party (JCP), the Liberal Democratic Party (LDP), Komeito, the Social Democratic Party [of Japan] (SDP) [SDPJ], the Democratic Socialist Party (DSP), the Japan New Party (JNP), Shinseito [Japan Renewal Party] and New Party Sakigake [Harbinger].

Shinseito, led by former Prime Minister Tsutomu Hata, reported its political donations to the ministry for the first time since it was founded by former LDP members who bolted the party in June 1993.

The party collected 807 million yen, of which 60 percent came from donations by party leaders' individual support groups, according to the report.

New Party Sakigake, founded by current Finance Minister Masayoshi Takemura in June 1993, reported a total of 478 million yen as its 1993 donations.

Of the amount, more than 80 percent was borrowed using Takemura's and the party secretary general's assets as collateral, the report said.

The LDP, which lost power in August 1993 for the first time in 38 years, and returned to power in June this year as part of a coalition with the SDPJ and Sakigake, collected 26.9 billion yen, up 5.2 percent from a year ago.

The LDP offset a decline in its donations and revenues by borrowing a total of 10 billion yen from eight big commercial banks.

The collection by the LDP's donation-gathering body, the national political association, fell by 27.0 percent from the 1992 level to 9.7 billion yen.

The JCP gathered 32.3 billion yen to maintain its position as the top recipient of political funds, mainly through sales of publications like its party paper AKAHATA.

Komeito reported 14.5 billion yen in donations, the SDPJ 7.2 billion yen, the DSP 2.6 billion yen and the JNP 1.2 billion yen.

According to the report, of the 171.3 billion yen raised in 1993, about 77.7 billion yen, or 45.4 percent, came from donations, but the figure was down by 5.3 percent.

Among the donations, personal donations totaled 8.3 billion yen, down 2.1 percent, while companies and groups donated 35.5 billion yen, down 7.5 percent.

Of the 35.5 billion yen, 26.7 billion yen were donated by companies and groups to politicians' support and factional groups, only 3.3 percent of which stated their identities, it said.

Of the 4,271 organizations reporting to the ministry, 86 gathered a total of 2.9 billion yen by holding fund-raising parties from April to December, during which time a revised political fund- raising law obliged them to report the funds.

Under the present political funds control law, politicians, their supporters and factional groups have to declare the sources of income only when it is 1 million yen or more annually.

On the other hand, political parties and groups are obliged to clarify the source of an income of 10,000 yen or more per year.

But the revised political funds control law demands that both politicians, their supporters and factional groups, and political parties and groups themselves, report the sources of all income exceeding 50,000 yen.

Furthermore, in line with the start of the new electorate system for the House of Representatives, a new system will begin in which political parties will share a total of 30.9 billion yen as public funds according to the number of each party's legislators.

Keidanren To Refrain From Political Donations

OW0809110594 Tokyo KYODO in English 1033 GMT 8 Sep 94

[Text] Tokyo, Sept. 8 KYODO—The influential Federation of Economic Organizations (Keidanren) will continue to refrain from providing donations to political organizations, Chairman Shoichiro Toyoda said Thursday [8 Sep].

In reference to a government report on the amount of donations given to political parties and groups in 1993 released the same day, Toyoda said such donations ought to be made on a company-by-company basis without help from Keidanren.

Last September, Keidanren decided to quit serving as a go-between for private enterprises in making donations to political parties and groups.

With regard to the adequacy of privately offered funds, Keidanren said it will study the issue within five years including the possibility of abolishing those donations.

Masaru Hayami, chairman of the Japan Association of Corporate Executives, said the decline in political donations last year reflects the recent political turmoil.

He expressed opposition to any political donations made by companies.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, supported abolishing donations from the chamber and said it should be up to each company if it wants to contribute privately.

Keidanren will hold a meeting on the issue of political donations in October, and hopes to draw some conclusion on the issue.

But Toyoda pointed to uncertainties on whether it can set a clear direction considering the still shaky political scene.

Mori Hints at Giving Up Constitutional Revision

OW0809045194 Tokyo KYODO in English 0435 GMT 8 Sep 94

[Text] Tokyo, Sept. 8 KYODO—Liberal Democratic Party (LDP) Secretary General Yoshiro Mori indicated Thursday [8 September] that his party might give up its platform call to replace the nation's foreign-imposed Constitution of 1946 with a Japanese- drafted one.

"Isn't it the political role of Japan, with its worldwide unprecedented pacifist Constitution ruling out war, to carry on this course into the world, now that the confrontation between East and West is over?" Mori asked a meeting of LDP women legislators.

The LDP platform stipulates that Japan draft a new constitution based on the war-renouncing Article 9 of the current Constitution, which was drawn up under U.S. guidance during occupation by the Allied powers after World War II.

Mori also hailed the Social Democratic Party (SDP) for its historic role in defending the pacifist spirit of the Constitution against LDP moves for a revision.

"Although the vow not to wage war was probably not always right during the Cold War era, it is, however, the merit of the Social Democratic Party to have reined in the LDP," Mori said.

Mori's remarks indicate a growing rapprochement between the LDP and its traditional opponent the SDP aimed to consolidate their coalition government, which also groups New Party Sakigake.

Immediately after the inauguration of Prime Minister Tomiichi Murayama's Cabinet, Mori also called for a reversal of LDP defense policy, which, with its calls for a defense buildup, stands in stark contrast to the SDP's emphasis on disarmament.

Reports on Issues Related to Labor Union, Industry

Labor Leader Yamagishi To Resign

OW0809080894 Tokyo KYODO in English 0748 GMT 8 Sep 94

[Text] Tokyo, Sept. 8 KYODO—Japan's top labor leader, Akira Yamagishi, said Thursday [8 Sep] he is resigning before his term expires in October 1995 for health reasons.

Yamagishi, 65, head of the Japanese trade union confederation (Rengo), the country's largest trade union umbrella, announced his resignation at a central executive committee meeting.

Rengo officials said they will discuss Yamagishi's resignation before a central committee meeting on Oct. 6.

Meanwhile, Chief Cabinet Secretary Kozo Igarashi expressed regret over Yamagishi's resignation as Rengo chief.

"He is a very important person in our country's labor circle. In that sense, I feel regret about it," the chief government spokesman told a news conference.

Igarashi brushed aside speculation that Yamagishi decided to quit because the Liberal Democratic Party and Prime Minister Tomiichi Murayama's Social Democratic Party [of Japan] (SDP) [SDPJ], bitter adversaries in the cold war era, formed a coalition government in June.

"I don't think he is such a weak person," Igarashi said.

Yamagishi has long called for the need to unite liberal forces centering on the SDPJ and the Democratic Socialist Party (DSP).

Contrary to Yamagishi's hope, the DSP, now an opposition party, is heading toward a merger with other opposition forces into a new party.

Unions, Employers on 'Hollowing Out'

OW0609093194 Tokyo KYODO in English 0826 GMT 6 Sep 94

[Text] Tokyo, Sept. 6 KYODO—Japan's metal workers union said Tuesday [6 September] it will cooperate with a major management group to devise ways to stop the "hollowing out" of Japanese industry.

The 2.5 million-member Japan Council of Metal Workers' Unions, which includes employees of auto, electric, and iron and steel companies, at its annual meeting at a Tokyo hotel, adopted a plan to conduct the joint study with the Japan Federation of Employers' Associations (Nikkeiren).

With the continuing steep rise in the yen, manufacturers have been transferring their production facilities overseas, reducing job opportunities in Japan.

Besides the international strength of the yen, some management officials say the high wages of Japanese employees are also a spur to the hollowing out of industry, but union officials said they cannot agree to cuts in their wages.

However, they may agree with the management on such points as the lowering of prices to prevent the problem from worsening, they said.

Labor Union Issue Editorialized

942A0649A Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Aug 94 p 2

[Editorial: "Labor Union Through Which a Cold Wind Blows"]

[Text] One year ago, Rengo [National Confederation of Trade Unions] played a major role in the establishment of the Hosokawa coalition government. Rengo officials proudly announced, "Unlike the Liberal Democratic Party [LDP] days, we are free to visit the ministers' offices." However, ever since the launching of the Hata administration, the split of the Social Democratic Party of Japan [SDPJ] and the Democratic Socialist Party supported by Rengo into ruling and opposition fronts has created confusion in the labor ranks and, according to Chairman Iwayama of the Federation of Telecommunications, Electronic Information and Allied Workers Unions [Denkirengo] has "created a state of disintegration in political alliances" since the establishment of the Murayama cabinet.

Rengo Chairman Yamagishi states that the organization will deal with the Murayama cabinet with a free and unbiased attitude, but as can be seen in relation to the Aichi prefectural election of candidates for the House of Councilors, confusion still prevails among the labor unions. They say that union rallies have served as forums for critical commentary of representatives from ruling and opposition parties. Labor unions affiliated with Rengo assume a non-LDP, anti-Communist Party stand, but there may be the fear that there will be additional loss of leadership by Rengo depending on the approach used in dealing with political reform. Labor unions are free to participate in politics, but it is important that they realize there are limitations.

In terms of the economy, Rengo faces greater difficulties. Although there are signs of an incipient recovery, manpower reductions and corporate restructurings accompanying the long-term recession and strong yen are still underway and the fear exists that such measures may be intensified. Unless labor unions deal effectively with such intimate issues, they will have no one to blame if they lose the confidence of union members.

[Takeshi] Nagano, chairman of Nikkeiren [Japan Federation of Employers Associations], warned at a top management seminar that Japan faces a "major unemployment problem" on a mid- and long-term basis. There is no doubt that relocation of production centers from Japan and accompanying reduction of jobs are future issues that will accompany a strong yen. There is a need for labor unions to boost their efforts in the area of structural reforms such as employment security and training for new jobs.

The near-term demands that greater concern be exercised concerning non-union employees such as part-time and middle management employees. It is probably appropriate to recognize the fact that more unions now emphasize the organizing of management employees.

Labor unions need to seriously debate and in some cases make difficult decisions concerning actions to be taken in connection with the next spring offensive. Nikkeiren has advocated the freezing of starting and minimum wages and has earned the antagonism of Rengo, but Nikkeiren Chairman Nagano stresses, "We need to undergo a process of reducing wages and prices." Labor unions strongly resist wage cuts and it appears the confrontation between labor and management will intensify.

National Federation of Iron and Steel Workers Unions [Tekkororen], which has major influence within Rengo, has said that it is considering abandoning demands for a basic wage increase during next year's spring offensive because of expanding deficits for blast furnace operators. If the first abandonment of basic wage increases since 1987 becomes reality, it will have a definite impact on the formation of a unified wage increase demand by Rengo.

Moves have been initiated in revising the long-term stable employment practice known as lifetime employment, especially in the area of seniority rankings. In this connection, the Japan Federation of Retail Workers Unions [Shogyororen] is preparing a list of recommendations aimed at structural reform of department stores in the area of personnel management. We have now entered an age when each labor union demonstrates its independence.

Takemura 'Worried' Over Rising Unemployment

OW0709142794 Tokyo KYODO in English 1054 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 KYODO—Tough labor conditions prevail as a drag on the improving economy and "medium-term" measures are needed to create new industries for job opportunities, Finance Minister Masayoshi Takemura said Wednesday [7 September].

"There is no new data to show further deterioration, but I'm already worried as the latest figures are showing the unemployment rate rising to 3.0 percent from 2.9 percent and a waning ratio of job seekers to offers," Takemura told a regular news conference.

He was referring to his speech Tuesday, expressing concerns over the yen's rise and tough labor conditions while describing the economy as "moving out of a slump toward recovery."

"We must keep a close watch on new job data," Takemura said.

Citing problems in Japan's industrial structure, Takemura said, "medium-term measures have become more important than short-term steps."

He chiefly pointed to deregulatory measures to "create an environment to facilitate the creation of new industries."

"Japan's industrial structure itself has run up against a wall," Takemura said, adding, "We have entered an age of shifting to new industries."

Asked about falling stocks prices despite increasing signs of an economic recovery, Takemura declined to comment on market trends but said the schedule for listing the privatized Japan Tobacco Inc. (JT) stock Oct. 27 remains unchanged.

Tokyo stock prices plunged Wednesday, with the key Nikkei stock average of 225 selected issues losing 370.18 points to 20,023.80.

Dealers attributed the fall to "Japan Telecom Shock" as the newly listed telecom stock fell below its weighted public-offering price, thus casting a gloomy cloud over JT listing.

The fall also came a day after the Bank of Japan's quarterly "Tankan" survey of business sentiment further proved the economy is recovering and comments by government officials suggesting that a monthly economic report due out Friday would declare an end to the three-year recession.

Turning to the tax reform issue, Takemura said a top-level meeting will be held soon after deputy prime minister and Foreign Minister Yohei Kono returns Sunday from the United States.

"We will decide (on details of the tax reform) by the end of this month," Takemura promised, while maintaining his tight-lipped stance to await decision by a project team of the ruling coalition.

Considering administrative and fiscal overhauls, however, he stressed that they are the necessary conditions for conducting the tax reform to win public support.

"The government must show that it's also shouldering pains," he said, referring to public burdens involved in the planned tax reform with a consumption tax hike to finance the income and resident tax cuts.

The government must pursue cutbacks in expenditures in the fiscal 1995 budget and show "concrete" administrative reform plans that offer "visible" results in cutting government spending, Takemura said.

The reform plans should include merging, closing and privatizing not only 92 government-affiliated corporations but also 3,000 organizations linked to ministries and agencies, he said.

MITI To Support R&D by Materials Industry

OW0509090694 Tokyo KYODO in English 0839 GMT 5 Sep 94

[Text] Tokyo, Sept. 5 KYODO—The Ministry of International Trade and Industry (MITI) will upgrade the technological infrastructure of Japan's materials industry by providing measures to encourage corporate research and development [R&D], MITI officials said Monday [5 September].

The move is designed to stop Japan lagging further behind the United States and Europe in basic research on materials, the officials said.

Specifically, MITI will establish unified ways of evaluating scientific data obtained in certain experiments on materials, the officials said.

They said tests of the durability of materials against acid rain, for example, which now take many years, could be shortened significantly under the proposed unified method.

MITI will also create a safety-related database on chemicals, using the enormous amount of evaluation results obtained on about 5,000 materials in the past, the officials said.

The database would improve the efficiency of the whole manufacturing process of chemical materials—from research and development to commercial production, they added.

MITI will also upgrade data held on marine natural resources by adding information from tropical areas.

MITI Task Force To Enforce Product Liability Law

OW0209140894 Tokyo KYODO in English 1136 GMT 2 Sep 94

[Text] Tokyo, Sept. 2 KYODO—The Ministry of International Trade and Industry (MITI) said Friday [2 September] it has set up a task force to smoothly enforce the Product Liability Law next year.

The task force will disseminate the concept of the Product Liability Law both to corporations and consumers before the law's scheduled enforcement from July 1 by providing practical data and measures designed to prevent accidents by defective products.

Specifically, it will draw up safety guidelines, establish a monitoring system for product safety and ensure after-sale maintenance systems.

It will also establish an out-of-court settlement system for dealing with accidents.

In order to spread awareness of the law, seminars will be held across the nation, starting in Hakodate, Hokkaido, on October 4 and ending in Kumamoto, southern Japan, on November 22.

The product liability law is intended to provide consumers with greater legal protection against accidents and injuries caused by defective products.

The law will require consumers seeking compensation to simply prove that the product was faulty, instead of having to prove negligence by the maker, as required under present law.

JDA Head Interested in Reconnaissance Satellite

OW0309114794 Tokyo ASAHI SHIMBUN in Japanese 3 Sep 94 Morning Edition p 7

[Text] In response to a question raised at a session of the House of Councillors Audit Committee by Junichi Kasahara (member of the Liberal Democratic Party) concerning the Self-Defense Forces' possible use of a reconnaissance satellite, Japan Defense Agency [JDA] Director-General Tokuichiro Tamazawa said: "From a defense-oriented position, it is important to precisely obtain intelligence. As a means of obtaining intelligence, I have an interest in using a reconnaissance satellite."

Politician on Defense Technology Exchanges

942A0539A Tokyo BOEI GIJUTSU in Japanese Jul 94 pp 18-20

[Summary of speech by Hideaki Tamura, House of Councilors member and parliamentary vice minister of the Okinawa Development Agency; place and date not given: "Japan-U.S. Defense Technology Exchanges Are the Key to the Japan-U.S. Alliance"]

[Text] **My Political Beliefs and Membership in Shinseito**

I believe the cardinal point of politics is to convey Japan's peace and prosperity to our descendants. Further, we must survive as a trading nation, because the country is endowed with limited natural resources. We must utilize the diligence and superiority of our people to produce high-value-added products and seek their purchase by nations of the world. Realization of this goal requires first that the world maintain peace and second that we maintain a free trade system. Further, another important factor is that the international cold war structure has collapsed. During the cold war era, the Japan-U.S. security system functioned effectively and Japan was securely positioned as a member of the Western world, but a change in the global structure has been accompanied by a change in Japan's position. There was a time when Foreign Minister Yosuke Matsuoka faced a censure resolution passed by a vote of 42 to one and withdrew Japan from the League of Nations to become a global orphan surrounded by America, Britain, China, and the Dutch (ABCD) and Japan plunged into a global war. We must not repeat that mistake.

It is important that we remain aware of the need to strive to avoid a situation in which Japan becomes a global orphan concurrent with the collapse of the cold war structure. If 120 million people could suvive peacefully in isolation without maintaining reciprocal relations on a global scale, erstwhile Liberal Democratic Party [LDP] politics would be acceptable, but for the future we must build a political system that prevents any actions having a malevolent global effect or causing Japan to become a global orphan. Failure to do so will deprive of us the means to endow posterity with peace and prosperity. This is why I resigned from the LDP.

Another factor is a problem with LDP political techniques. The LDP makes party decisions on the basis of a unanimous vote or, to put it another way, it represents a case of absolving everyone of responsibility. It is a case of coordinated domestic government; the party president did not assume responsibility by resigning even though 70 members of the LDP resigned after criticizing the LDP modus operandi. Such a tendency of failing to assume responsibility has manifested itself in a variety of situations in society. Japanese politics in the past has assumed a developing nation format, a higher productivity format, a profit promotion format, and a coordination format, laying the basis for repetitive corruption. Japan, which controls 16 percent of the world's gross national product (GNP), must change its political system. This means that we must change our politicians. We must change the value concepts of our politicians. This is why we have changed our political system and increased the potential for the infusion of new blood.

We must change Japan's politics to be worthy of an industrialized nation that calls for government by the people, for the people, and of the people. I believe Japan's government in the past was a constitutional form of government by bureaucrats for politicians themselves.

Additionally, I believe we must solidify the will of the nation based on a majority vote and build a political system that commits Japan to international society.

Further, I embrace a political belief that "We must provide as part of defense policy appropriate national recognition to those individuals who dedicate their lives to the defense of our nation." My concern has always been for which party will take the initiative in this respect? I joined the LDP because it was the only party that recognized the Self-Defense Forces [SDF], but it did not embrace genuine respect for the SDF. I opted for Shinseito [Japan Renewal Party] because it was composed of individuals who intended to take appropriate action on this matter.

Comments on Japan-U.S. Defense Issues and Defense Technology

There is the question of the Defense Agency possessing defense technology. In general, military use is made of general-purpose technology held by the private sector. This is known as spin-on technology and is different from the situation in the United States. Integrated circuit sales in the United States in 1965 totaled $85 million with 72 percent consumed by the military and 28 percent by the civilian sector, but in 1990 sales totaled $17.5 billion with eight percent consumed by the military and 92 percent by the civilian sector. This process is known as the spin-off of military technology. Liquid crystal displays, optical-fiber, and composite materials technology were developed by the private sector, but is used by the military as well and is known as dual-use technology.

When I met with 10 congressional representatives from both houses of the U.S. Government, they said it was inexcusable that there was no return flow of technology from Japan. When the FSX was an active issue and the United States said it would not sell engines to Japan and I said we would buy them from France, the U.S. side retorted: Then you can have the French protect the Pacific Ocean; since the United States is protecting the Pacific, it is only logical that you buy U.S. engines. Their perception is that the Japan-U.S. security treaty exists for that specific purpose.

Japan-U.S. relations are at a very critical stage at the present time. Prime Minister Hosokawa spoke of a relationship among adults or a mature relationship, but the relations cannot be categorized so simply. The United States purchases 31.7 percent of Japanese exports. Clinton calls Russia a strategic partner of the United States. During the cold war, Japan's strategic value was very significant, but since 1989 Japan's value has declined significantly. Further, Japan's trade surplus is huge and 70 percent of Americans call for a reduction in that surplus. The manner in which military alliances function under these circumstances is extremely important.

According to a Gallup survey, 42 percent of Americans said that, in the event of an attack on Japan by North Korea, the United States should aid Japan and 48 percent said it should not. We must take these survey results seriously. I believe it is important to consider how we can retain U.S. Forces in Japan. First, I believe it is extremely important to take three actions; i.e., solidify the East Asian total force concept involving Japan, the United States, and South Korea, and designate the role to be played by each nation, establish a program for implementation of host nation support, and implement an active program in support of technical interchange. I believe the current secretary of defense, William J. Perry, will place greater emphasis on technical interchange, because he is a specialist in this area.

A foremost issue is that the technology being sought by the United States does not belong to the Defense Agency. The problem is that the technology in question is owned by the private sector. This is the point that poses difficulty for Japan-U.S. negotiations. There are times when Japanese corporations say they cannot understand why the United States wants their technology. And, there are times when the value of the technology in question is unknown. There is the possibility that an exorbitant price will be proposed if the desire for the technology is persistent. Such a situation will call for a judgment on value. I believe herein lies a hidden issue relative to technological interchange. I believe the Technical Research and Development Institute must play a major role in this respect.

Japan-U.S. negotiations will resume before long and I believe technology desired by the United States should be purchased by the government for offering to the United States. However, according to a survey of 50 Japanese firms on the subject of technical interchange, 10 firms approved, but 16 voiced concern about the possibility that it may result in the exploitation of Japanese markets, meaning that they are strongly skeptical about U.S. motives. Such an attitude is not conducive to smooth negotiations. I believe there is the need for the Japanese Government to purchase the desired technology.

Technological interchange is one of three very important factors. It is equal in importance to the factors of the total force concept and host nation support. Further, there is a need for Japan to be a technologically superior nation in order for it to be a nation that appeals to the United States. I believe that even if Japan does not possess an atomic bomb, the very fact that it has the capability to build one serves as a deterrent.

Modern warfare does not permit the substitution of quantity for qualitative inferiority in the area of technology, while international contributions demand constant possession of qualitatively superior weaponry, which in turn serve as a deterrent.

A most impressionable factor resulting from a visit to China is that the Chinese speak of the 2020's becoming a Chinese age, in fact, a nation of young people. Around 2020, Japan will be a senior citizen society. The only way a senior citizen nation can compete effectively with a nation of young people is for the former to undergo technical innovation and maintain industrial technical capabilities of a very high order.

Although once referred to by Ichiro Ozawa, politicians must insist that the government play a positive role relative to TMD [theater missile defense] and Japan must develop TMD in a joint effort with the United States. The idea here is not to develop a system purely to cope with North Korea, but to develop a nation with precision production capabilities which will enable Japan to compete with China about 20 years into the future. I believe any nation with technical capabilities of that nature will be able to command respect from a China of the 2020's. We are speaking of extremely important technical issues concerning Japan-U.S. relations and I believe the promotion of future Japanese technology will play a very important role in Japan-U.S. relations. I believe the issues entail numerous political questions which I hope to resolve mutually through our joint efforts.

DA, Firms To Develop Next-Generation Fighter Plane

OW0509135494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 Sep 94 Morning Edition p 1

[Text] The Defense Agency [DA] and aircraft manufacturers, including Mitsubishi Heavy Industries, Ltd. and Kawasaki Heavy Industries, Ltd., will develop by as early as 2008 a prototype of a next-generation fighter plane. The new fighter will incorporate the latest stealth features to avoid radar detection and a fly-by-light controlling system, in aiming for better performance than that of the F-15 fighter, which is currently the mainstay fighter of the Air Self-Defense Force [ASDF].

The project is expected to cost approximately 100 billion yen, and its initial development costs will be incorporated in the agency's FY 1996 budget. The prototype is going to be developed as a candidate to replace the ASDF's F-15, and the project may make the United States wary of the Japanese aerospace industry.

The "advanced technology prototype aircraft" was advocated in a document compiled by the DA's technological research headquarters. Measuring 13.5 meters long and 9 meters wide, the fighter will be equipped with two jet engines with a thrust of 5 tons each. The agency is planning to develop the stealth technology, fly-by-light system, and 5-ton-thrust engines by the end of FY 2002, and a weapons control system and heat-resistant composite materials by the end of FY 2007. During the development period, test flights are planned in 2000 and 2005.

The new fighter will be equipped with high-technology electrical systems. The DA is planning to introduce "conformal radar"—whereby solid-state transmitting and receiving modules will be embedded on the surface of the plane—as well as infrared intruder and guidance systems.

At first, the DA planned to incorporate the initial research costs in the FY 1995 budget request; however, the formal beginning of the project was postponed to FY 1996 due to a delay in radar development and for other reasons. Mitsubishi Heavy Industries and other participating companies have already formed project teams to start working on the project before the state sector does so.

The "advanced technology prototype aircraft" project is taking a definite form, because the DA has begun to seek a new development project after the FSX [next-generation support fighter] project. Industrial circles are calling for the development of Japan's own fighter technology to prepare for the joint Japanese-U.S. development of a next-generation fighter to replace the F-15. Even if Japan is urged to buy U.S.-made fighters, its ability to manufacture domestically produced fighters would become a good bargaining chip. On the other hand, the government's interest in technology for a full-fledged fighter plane is likely to cause controversy within and outside the nation.

The DA said that "the prototype fighter is planned to maintain basic technology, and we have no intention of starting the mass production of domestically produced fighter planes." However, the U.S. Government and Congress believe that Japan has the potential to become a rival of the U.S. aerospace industry in the future. The FSX project was initiated to develop a completely domestically produced support fighter, but it was later changed into a joint Japanese-U.S. project to modify the U.S.-made F-16 fighter.

Science Agency Seeks Tax Deduction for Research

OW0209133594 Tokyo KYODO in English 1041 GMT 2 Sep 94

[Text] Tokyo, Sept. 2 KYODO—The Science and Technology Agency [STA] has requested the Finance Ministry initiate a new tax deduction for private firms to stimulate their investment in basic research, agency officials said Friday [2 September].

The officials said the Finance Ministry is asked to allow a tax deduction of 6 percent in a given year if any increase has been registered in a private firm's research outlay.

At present, the exceptions to tax laws act stipulates that firms may take a tax deduction of 20 percent only when their research outlays for a certain year surpass the previous annual record.

Reflecting the so-called "bubble economy" fueled by high land and stock prices, research outlays in the Japanese private sector had increased about 10 percent a year until fiscal 1991, when they totaled 11.26 trillion yen.

But in fiscal 1992, when the economy took a downturn, private expenditures on research fell 0.5 percent from the previous year, recording their first year-on-year decline.

The agency decided to demand the new tax deduction out of concern that other countries might criticize Japanese firms for allegedly exploiting basic technologies invented by foreign scientists, the officials said.

MITI-Related HDTV Firm Restructures Operations

942A0382A Tokyo ZAIKAI TEMBO in Japanese Jul 94 pp 181-190

[Article by freelance journalist Masaharu Koike: "MITI-Related High Vision Firm Capitalized by Dentsu and Mitsubishi"]

[Text] The Ministry of Posts and Telecommunications [MPT] and Ministry of International Trade and Industry [MITI] have fought fiercely over "high vision" [high-definition television—HDTV] policy. At this juncture, however, MITI is definitely changing its course. What does this orbital correction imply?

Unclear Future of Japan's HDTV

This year marks the 30th year since NHK embarked on development of "high vision," the next-generation TV, ahead of the world. The technology has generally reached the stage of practical use and will soon be reaping the fruits of its labors.

In terms of broadcast use, the recent trend of trial broadcasting was started in 1991 at the rate of eight hours daily, increasing to nine hours in January this year, and to 10 hours in April.

Licensing became a major topic among the broadcast stations that provide software because "we must pay out software production costs and transponder costs without any collateral."

"However, after the trial period is completed, we will become practical testing stations. Licenses will be granted to the respective stations with a single channel basically shared according to the days of the week. Concretely, the NHK will get five hours or more daily (with multiple days possible), while the other stations will each have five hours or more on their licensed day only. Also, commercials will be possible. As for the schedule, a report will be issued by the Radio Regulatory Council on 22 May, followed by acceptance of applications, and the new licenses should be decided around September. The new form of broadcasting is expected to begin on 25 November at the earliest" (Sachio Fukuda, deputy director, MPT Satellite Broadcast Division, High-Vision Promotion Office).

Thus the prospect of a "blanket license to the High-Vision Promotion Association Inc." has progressed to individual "licenses" granted jointly to the stations, and a step closer will be taken to formal broadcasting which will start in 1997.

Meanwhile, in the area of nonbroadcast use, progress is seen in such areas as use in public theater movies (e.g. *Water Traveler*, produced in 1993), HDTV theaters (movie theater type), HDTV museums (e.g. Gifu Prefectural Art Museum), applications in medical care (used by National Cancer Institute), and applications in printing/publishing (media mix) and advertising.

Also, support activities for promotion and dissemination of HDTV have been conducted under fierce turf competition between the MPT (Broadcast Administration Bureau, Satellite Broadcast Division, High-Vision Promotion Office) and MITI (Machine and Information Industries Bureau, New Image Industry Office).

In 1989, the MPT established the Japan High-Vision Co. (JHV), a company that rents out a variety of machines and materials to support high-vision manufacture. It also established the High-Vision Promotion Association [HPA] in 1991 as the core dissemination/support organization for trial broadcasting. Since 1989, it has promoted the "high-vision city concept" (present model covers 37 cities) aimed toward regional buildup and the formation of dissemination bases.

In comparison, MITI established the High-Vision Dissemination and Support Center [HVC] in 1988, a foundation to expand the induction and promotion of HDTV dissemination into industrial and public service areas. In 1989, it established High-Vision Communications Inc., a company with the aim of programming high-vision software and building systems in addition to renting out machines and materials. Since 1989, it has promoted the "high-vision community concept" (model covers 37 regions), which supports and guides self-governing communities that use HDTV to revitalize and informationalize the regional society.

Effects of Interministry Competition Over Own Interests Come Home To Roost

Despite common goals in terms of the dissemination and support of HDTV, separate but similar structures have been formed due to the interministry turf war (over leadership). As a result, limited funds have been used inefficiently, and the companies under their respective control have fought over the division of the pie. Still, as was mentioned before, a smooth harvest of the fruits would have justified it, but the reality is not so optimistic.

The fact is that, in recent years, the caliber of broadcast business machines has improved, prices have dropped, and manufacture of appealing software is becoming easier. Also, the price of high-vision receivers for the general customer, which is the major focal point in high-vision dissemination, has dropped from 2.5 million yen several years ago to 650,000 yen (for 28-inch set). However, dissemination is slow, with only 24,000 sets nationally. In other words, the number of viewers of the trial broadcasts which began in 1991 is small compared to the hoopla within the industry, and conditions in the broadcasting circles indicate a limitation in industrial application. The present outlook for high vision is dim.

Amid such circumstances, there was the case of a MITI-affiliated high-vision software company removing the term "high vision" from its firm name.

The company is High-Vision Communications which was mentioned before. The firm was estabished in 1989 under MITI's guidance. It has planned events based on the high-vision community concept, manufactured software as a support activity for regional revitalization, conducted symposiums and seminars on consignment from HVC and held training classes to educate personnel. In addition, like Japan High Vision, it has rented out machines and materials, including large relay trucks.

Its capitalization is 1.98 billion yen. The investors total 82 firms centering on Imagica, Nippon Steel Corp., Dentsu Advertising, and Mitsubishi Corp., and it was the largest high-vision software company in Japan. However, as of 17 February 1994, the company name was changed from "High-Vision Communications" to "Hicom," and its capital was reduced from 1.98 billion yen to 495 million yen on 24 March 1994. We interviewed President Mitsuharu Yata regarding the circumstances.

"Cannot Make Ends Meet" Under Present Conditions

"Due partly to the collapse of the bubble and the slow pace of high-vision broadcasts, the deficit is rising and business has become difficult since July last year, so I was asked to take over. The financial conditions made it apparent that it could not make ends meet under present conditions until full-fledged broadcasting begins. Therefore we considered an advance into multimedia. We changed the articles of association, changed the company name, eradicated past deficits by reducing capital investment and started out afresh as a reborn company."

Incidentally, Yata was born in 1936 and, after graduating from the University of Electro-Communications, he entered MITI. Following stints with MITI's Electrotechnical Laboratory and the Agency of Industrial Science and Technology, he established the Knowledge and Information Laboratory, High Tech Inc., and PIE Inc. Meanwhile, he served successively as managing director of Kyodo VAN Inc., Computer Soft Inc., CSK Inc., Sega Enterprises Inc., and Linguafon Inc. It is clear that he was more knowledgeable in computer technology and management than in broadcasting. How does the MITI side see this?

"Ever since its participation in the World Expo, Hicom has worked in various areas and has been highly evaluated. However, working with a limited budget has resulted in a deficit. There was 1.2 billion yen in cumulative losses in March 1993. It means that business evolvement in high vision alone does not suffice. Therefore, we considered going into multimedia and asked the well-known Yata to come and restructure Hicom, including a cutback in personnel. We have scheduled a scale of business for this fiscal year that includes a 50-50 ratio between high vision and multimedia" (Katsuhide Minamitani, deputy director of the New Image Industry Office, Machine and Info Industries Bureau).

However, as a result of the loss of revenue due to the recession, management became depressed. It may sound good to say that it led to a reexamination of specialization in high vision and a resolve to enter the multimedia business, but a considerable number of people feel that a major problem existed in the high-vision management posture.

"For example, there is the problem of fees for rented machines. Hicom offered its machines at considerably low fees as "special discounts." In comparison, Japan High Vision reportedly signed an agreement on fees with NHK to prevent prices from dropping. Second, there is the possibility of overexpanding the range of business. In the past, the efficacy rate has not been good in software manufacture, rental machines, technical consultation concerning transmission, and sponsorship of events using displays. Third, there has been a tendency to overinvest in advance in plant and equipment. Despite technology's rapid pace in becoming obsolete such as new cameras, investments were made without hesitation. However, because Hicom has many kinds of software for self-governing communities, it can recover depending on how its uses them" (a related source).

There are others in the industry who view Hicom as follows. "Yata hails from MITI and is a developer so to speak. He is a pro who is interested in linking new businesses together. He once worked with Sega Enterprises and will probably branch out into game software in the future. In any case, when he came to Hicom, he complained that 'it is in terrible shape, and I must start from scratch. It cannot make ends meet just with high vision. Its balance sheet shows overinvestment and the relay trucks have a low rate of operation. I wonder why the stockholders have kept silent.' However, he has laid down the rails and will probably run it according to his ideas. He probably sees hope for the company."

The management deficiency is said to have resulted in a reexamination of high vision and a transition to multimedia at Hicom. However, was that all? The reason is that multimedia, which is based on digital technology and integrtes all the media including the written word, sound and image, has a scale that clearly surpasses the present analog high vision.

Will MITI Withdraw From High Vision?

In other words, the reality is that perhaps MITI has basically given up on high vision while making dual progress possible depending on the evolvement in broadcasting, but sees a business possibility in multimedia.

Hicom's President Mitsuharu Yata says: "As a concrete multimedia business, what are conceivable are the manufacture and sales of video CD's that put CD-ROM software, electronic picture cards (still pictures), and video into CD-ROM's, and the manufacture and sales of communications distribution software for multimedia communications, picture control software for high vision and font database software. The development of multimedia is not possible without interlinking different types of industries. In that sense, many companies representative of Japan are grouped together in our company. In effect, the objective is to form a key system of multimedia as a new opening to please the stockholders. I believe that the Egawa statement (regarding MPT's high vision) is a sound argument, but I do not want him to give up on high vision." He seems to be an embodiment of multimedia. There is also an underside to this.

MITI started the project of a new image continent concept in FY93 and, with the advent of the concept, MITI's budget, which was only 15-16 million yen, rose to 1.2 billion yen in FY93 and to 1.5 billion yen in FY94. Furthermore, aside from the budget for the new image continent concept, an FY93 secondary supplemental budget of 900 million yen (to build a multimedia support center) was appropriated in FY93, an FY93 tertiary supplemental budget of 1.35 billion yen (to build a multimedia personnel training center) and 3.5 billion yen (to build a multimedia data center), totally 5.75 billion yen, were appropriated.

MITI From High Vision to Multimedia

Not only is the multimedia-related budget overwhelmingly large, but also the project of the new image continent concept contains multimedia- related projects. It is no wonder that high vision was removed from the company name and it shifted to multimedia. Was the concept conceived and the budget appropriated under the premise that ends could be met with the national budget? Was high vision not given up as a goal? Or was it merely because it would be easier to obtain funds from the MOF?

"We competed by centering on high vision and the High-Vision City Concept (MPT). However, it is no use waging an armament race. We realized the importance of enhancing the quality of the community. Until then, we used the cycling race funds (the cycling race business is also handled by the vehicle division of the Machinery and Information Industries Bureau), and with a budget of several hundred million yen we were making software for industrial application with the HVC as the core. However, we felt that it was better to apply the national budget to the buildup of a base. Fortunately, we obtained the budget and advanced a step forward from regional support, and began to devote efforts to software manufacture which was lacking in the past. Because an advance into multimedia was brought up in the council, we were able to secure a multimedia-related budget" (Katsuhiko Minamitani, deputy director of MITI's new Image Industry Office, Machinery and Information Industries Bureau).

As such, we are concerned about the trend of the HVC under MITI's wing.

"We started in 1989, saying 'let us try for five years in this way and think about the next step at that point.' In that sense, the dissemination and support activities were completed last year. Our next task is to work on new images such as multimedia while retaining our base on high vision. We will probably reappraise the articles of association and remodel in the next fiscal year" (Hiroshi Akiyama, director of HVC secretariat).

It appears that the HVC will go deeper into multimedia after all. In this connection, it has been decided that the center will move from Kawasaki to Aoyama, Tokyo. Akiyama says that the tests on industrial application have been completed, and that the major remaining theme is the development of superior software.

"I have never seen a foundation that moved so actively. It is due largely to the leadership of Akiyama from the Electronic Machine Industry Association. However, this time, it will take on the MITI project in depth. Actually, MITI's real intention is to have the HVC serve as the core, and personnel for that purpose will probably be sent by MITI. In effect, both the HVC and Hicom will come directly under MITI's jurisdiction" (a related source).

After all, it is a company backed by MITI and a public service corporation as well, so it cannot resist. However, it is questionable whether it should shift to another project before ascertaining the success of high vision. Is it an overstatement to say that MITI's conclusion has already been made on its high-vision policy? In contrast, the MPT-affiliated Japan High Vision "does not want to go into a deficit and is generally breaking even. Out of 365 days, one-third is filled with relay broadcasts of "sumo" tournaments (using rental machines)" (a Japan High Vision official).

In this company's case, circumstances are different due to its backing by the NHK.

Sumitomo Expansion of CATV Business Viewed

942A0547A Tokyo KEIZAIKAI in Japanese 28 Jun 94 pp 34-37

[Article by Satoshi Tamura]

[Text] Touched off by plans for an information superhighway in the United States and domestic deregulation activity, CATV [cable television] has swiftly moved to center stage in the multimedia industry. Barely had Sumitomo Corporation and U.S. CATV giant TCI announced the formation of a joint-venture company to operate a CATV business in Japan then the reaction set in. How will Japanese multimedia companies fare in the CATV era?

CATV Eager To Enter Market

"Even looking back at the performance of Sumitomo Corporation before the 1980's, these results were very bad. They are without precedent."

This was how Tomiichi Akiyama, president of Sumitomo Corporation, reacted to the company's closing of accounts for the fiscal year ending 31 March 1994. It was 25 May, and Mr. Akiyama was chairing a roundtable discussion with members of the press. While he was candid about the sense of crisis, one could not detect any gloom in his voice. The fact that he was serving as host to members of the popular press was not the only reason his facial expressions did not worsen over the course of the day.

One day earlier, Sumitomo Corporation had exchanged memos of intent with TCI, a major U.S. telecommunications company in the CATV business (John Malone, president), for full-scale cooperation in a multimedia venture. According to a press release, the venture will "operate a CATV business and provide programming in the Japanese domestic market." The announcement that the two companies intended to form a joint venture was given prominent coverage in all of the major dailies on the morning the roundtable discussion took place.

Mr. Akiyama explained the significance of the full-scale cooperative arrangement. "Most trading companies are saying they are doing everything they can to survive. But this detailed plan to form a company is not one of those vague cooperative deals." He praised the agreement as a "major event."

Multimedia deals often amount to no more than mere words. Most of these ventures, combining public and private concerns both foreign and domestic, are still attempting to get off the ground. Many are heading in vague and obscure directions. Very few have anything concrete to show for their efforts. Sumitomo is the first company that has managed to give its multimedia venture a definite shape. Moreover, the venture has focused its efforts on the CATV market, which sprang out of nowhere only last year to assume a leading position in the multimedia industry. By doing so, the company has rushed to the forefront of the multimedia industry.

Touched off by plans for an information superhighway in the United States, the Telecommunications Council, an advisory body to the minister of posts and telecommunications, issued a report on 31 May calling for the construction of a nationwide fiber optic network by 2010 that can carry large volumes of two-way data. CATV would serve as the medium linking households to this fiber optic network. In such a role, it would become more lucrative than television and newspapers.

Theoretically consumers could enjoy games and video on demand, viewing movies and favorite programs whenever they want. Subscribers could work at home, receive physical examinations at home, shop at home, and hold teleconferences. Students in remote areas could even be schooled at home. CATV would be the medium through which multimedia companies could fulfill the dream of being able to do almost everything from one's own home. This is the impression that has been etched in the consciousness of the Japanese people.

Understandably, the joint venture announced by Sumitomo Corporation and TCI has combined with the report from the Telecommunications Council to produce a multiplier effect. In press releases issued simultaneously in both the United States and Japan, TCI indicated a strong desire to enter the Japanese market. Because TCI has adopted such a positive approach to cooperation between the two companies, Mr. Akiyama felt free to speak with journalists at the roundtable about President Malone's ardent wish to work closely with his company.

Urban CATV Growth at 3 Percent

Sumitomo Corporation has invested capital in 28 of the estimated 130 domestic local CATV systems, making it the largest company in CATV. The 28 providers, which also signed reception agreements with Sumitomo, currently reach over 132,000 households (with the potential to expand to over 410,000 households). Since 8,350,000 households (or 24 percent of all households) currently receive CATV, Sumitomo reaches fewer than 2 percent of all households. If households in areas currently having difficulty receiving CATV are included, then the number of reception contracts for CATV in urban areas rises to 180,000 or 3 percent. There are thus business opportunities to be had even at the present time, and this is one reason why TCI is eager to enter the Japanese market.

Sumitomo and TCI entered into another multimedia venture in June 1993, and Sumitomo has since formed a programming sales company for CATV called Cable Soft Network with TCI investment participation (18 percent share). Without much fanfare, the two companies have put their specific version of cooperation into effect: two people, three legs. Within the past year they have managed to give it concrete form and expand upon it with the formation of a joint-venture company.

Worthy of note is the fact that the joint-venture company is Japan's first MSO (multiple system operator). MSO's are organizations that offer general services to local CATV systems. They offer management services, arrange advertising contracts, and purchase software from suppliers en bloc for CATV systems. They also provide consulting services for new CATV ventures. In a broad sense, MSO's offer know-how to local CATV systems and create economies of scale for management services. In so doing they help to reduce operating costs for local CATV systems. By reinvesting their remaining outlays in software and new programming, these local CATV systems are able to attract new subscribers. As a result operations are stabilized, and a "virtuous cycle" can be anticipated.

Software is the key to attracting new subscribers, and this is the specialty of programming suppliers. With media giant TCI, the largest CATV company in the United States, as a partner, the new joint-venture company should easily be able to provide a wide variety of quality programming, ranging from entertainment to documentaries.

Sumitomo and TCI plan to invest an estimated $500 million (50 billion yen) in the joint-venture company over the next three to four years. In the future, they intend to increase investment in their joint-venture company to broaden its functions, and provide capital to local CATV systems. Not a few CATV providers have warned against large-scale investors and foreign capital. Now they wonder if the functions of MSO's can be adequately realized.

In response to this climate of opinion, a public relations spokesperson at Sumitomo had this to say: "The United States is said to be 15 or 20 years ahead of Japan. While we do not know what shareholders in these companies are thinking, at the very least they must surely be interested in learning from TCI, the largest CATV company in the United States."

Instead of flatly opposing the joint-venture company, management and stockholders at a number of CATV companies are seeking to understand it. According to Sumitomo PR, the joint-venture company is not a threat to them. "Companies will be able to do business with us to the extent that they wish. If all they want is software, that is fine. If all they want is management services, that is fine also. A wide range of choices is available to them."

MSO as Trading Company

Using an information network that reaches around the globe, an MSO supplies necessary know-how and quality software to local CATV systems. According to Sumitomo, this is essentially the work of a trading company. Sumitomo insists that this "Japan-based MSO" will be different from U.S.-based CATV businesses who amass capital, know-how, and personnel through repeated mergers and acquisitions.

The model for the Japan-based MSO is "Suginami Cable Television," a venture that is expected to be launched in December of this year. In June 1993, Sumitomo Corporation and Pioneer invested capital in this urban-based CATV provider, which became the first new venture backed by an industry leader.

Observers nationwide are carefully following this new venture because it is the first to incorporate the latest technology from the United States throughout its entire operations. It is the first venture in Japan to adopt a hybrid system utilizing a transmission trunk line comprised of fiber optics. This experimental multimedia system will explore the possibility of two-way service and the union of telecommunications and broadcasting.

Instead of 450 megahertz, which is the normal frequency for urban-based CATV stations, this CATV system will operate at 550 megahertz, the broadest band in Japan. When it inaugurates service, it could potentially offer as many as 66 channels. At the present time, however, it expects to begin with 30 to 35 channels by adding specialty channels to the 14 existing channels, which include NHK, commercial broadcasting networks, and satellite broadcasts. The company plans to begin experimenting with two-way services next fall by installing special equipment in the homes of 1,000 to 2,000 subscribers.

"Efficient management through the introduction of operational know-how" from TCI will help the company begin operations without a hitch. This was the reason for the link-up with TCI.

The technical plans for engineering, installation, and operation—from the laying of cables to the transmission of CATV images—were all drawn up under the supervision of TCI technicians.

Yasuo Kosugi, president of Suginami Cable Television, explains: "While Japanese construction companies use several schematics, TCI technicians incorporate every essential element into one schematic. The effect of this single schematic on our construction schedule was obvious. We were able to put this single schematic into effect in a single day. It was very rational."

In order to carry out installation smoothly and efficiently, all kinds of equipment was procured in the United States. Rationalization means the ability to attract more subscribers. With subscription fees, including the cost of installation, at 35,000 yen it is half the price of conventional CATV systems.

With the trends in multimedia becoming clear, Nozomu Yoshida of semiconductor producer Dentsu General Laboratories gives the following assessment of the TCI deal: "While Japanese media firms are not competitive internationally, Japanese CATV systems are strong in their localities. In makes perfect sense to import know-how from advanced nations. The cooperative arrangement with TCI is very reasonable. It is much cheaper than going it alone. It was an extremely intelligent decision."

While this may have been an intelligent decision, what does this bode for the near-term future of multimedia companies as CATV spreads across Japan as rapidly as it has done in the United States?

Innovation Key to Success

Mr. Akiyama, brimming with confidence, says the company hopes to have a "reasonably good" system in place "within three to five years." He says the company will become more sure of this timeline within the next year and a half.

He explains: "The world is changing rapidly. Some of these changes our generation has difficulty understanding, but [multimedia] will be a necessity to the next generation. The United States is already heading in that direction. I get the sense that for Americans the keyboard is already a note-taking device. The computer has become incorporated into their daily lives. Computers manage their affairs just as a shepherd minds his sheep. Already, not a few people are able to work out of their homes."

Multimedia is changing the character of daily life and society, but doubts remain whether CATV will play a leading role in this transformation. There are concerns as to how many subscribers will sign up.

Mr. Kosugi of Suginami Cable Television says that CATV will eventually be in every house "just as there is an automobile in every driveway." He says this is already the case in the United States. But there is no magic formula for rapidly increasing the number of subscribers as Mr. Kosugi envisions.

Mr. Yoshida, using the keyword "critical mass," offers the following assessment: "When we reach critical mass new industries will develop. The strongest of these will form networks like the telephone companies. Therefore, when CATV hits a certain level, it will begin to expand at a much more favorable pace. I believe this level to be 15 percent of all households in the case of urban-based CATV. However, it is currently growing at 3 percent. Because CATV is similar to door-to-door sales, only a limited number of subscribers will come on board each month. At this rate, we face a very long runway before we eventually take off.'

In the opinion of many, not enough social factors favor the eventual acceptance of CATV in Japan. The United States and Japan are different. Because the United States is an expansive country with a high crime rate, many more American households desire the safety and convenience of interactive CATV. This difference is clearly expressed in the fact that far more American households subscribe to cable than Japanese households.

In response to this opinion, Mr. Yoshida asks: "Has Japan ever been an innovator?"

He sees a difference between innovation in karaoke and in telecommunications. In the case of telephones, universal access to telephones nationwide was adopted so that telephone companies, which lose money on local calls, could recoup these losses on long-distance calls. But, as Mr. Yoshida explains, "the current fee structure makes it impossible for new start-up ventures to enter the local telephone market."

This is because government regulation is required to maintain universal access. The widely anticipated debate over universal access versus government deregulation casts a long shadow over the "union of broadcasting and telecommunications."

In this current climate, what will happen to innovators? It is widely believed that Sumitomo Corporation has achieved a personal triumph. However, this is no assurance that CATV will expand at a rapid pace. While Sumitomo has invested 25 billion yen in 28 local systems, not one of these systems has yet made a profit. Sumitomo might have "built a stone bridge that no one will use." The company may indeed have the goose that lays the multimedia golden egg, but so far that remains to be seen.

Farm Agency Proposes Forum To Revive Farming

OW0809031794 Tokyo KYODO in English 0308 GMT 8 Sep 94

[Text] Tokyo, Sept. 8 KYODO—A government-backed farming organization proposed Thursday [8 September] the creation of a forum on farming and the environment, comprising a broad cross-section of opinion, that would aim to reinvigorate Japan's farming industry.

The National Chamber of Agriculture also recommended, in a report, the establishment of a "Foods' Day," a fund to preserve the environment of mountain farming areas and promotion of the nurturing of specialists, mostly retired people, who will teach urban citizens and children about farming.

The report, presented to Agriculture, Forestry and Fisheries Minister Taichiro Okawara earlier in the day, was compiled in response to a government request to study measures to deepen public understanding of farming.

The chamber said the revival of the nation's farming requires a dramatic change in farmers' consciousness and the building of a national consensus on a wide range of issues related to agriculture, such as the need to enhance food self-sufficiency, maintenance of Japan's rice-based culinary traditions, and measures required to make farming a more appealing job.

The proposed forum, to comprise government officials, farmers, consumers, business officials and academics, would seek a consensus on these issues.

A chamber official said the chamber hopes the proposals will lead to a rewriting of the current agricultural laws, so that they will better reflect the need for the preservation of the environment and the promotion of national culinary traditions, both of which have a great impact on the agricultural sector.

Mitsubishi Materials Developing Foreign Mines

942A0643A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 24 Aug 94 p 15

[Text] Mitsubishi Materials has become aggressive in the development of mines overseas. The company will raise the percentage of independently developed ore supplied to the company's own refinery—centering on copper in nonferrous metals—from the current 4 percent to 20 percent in 2000. In coal, it will increase the amount of imported coal that had been restricted to their own consumption and will study supply for thermal power. On the occasion of establishing a new Global Environment and Energy Division, the plan will be to gather technicians in a resources department and make use overseas of the technology it has cultivated at home.

The company, which merged the former Mitsubishi Metal Corp. and former Mitsubishi Mining and Cement, has a tradition of metal mine and coal mine development, and its having many geological-analysis and other mining technicians is becoming a strength. Currently, there are 135 expert technicians. At the end of June, it established the Global Environment and Energy Division, consolidating nuclear power, geothermal, and environment-related departments, and the technicians have been newly gathered under the umbrella of a resources department.

Prospecting for nonferrous metals centers on copper ore which is refined at the Naoshima Refinery (Naoshima-cho, Kagawa Prefecture). Up until now, the percentage procured from overseas mines developed by the company (company mine percentage) has been no more than 4 percent of the ore consumed. There is a fear that ore-purchasing conditions will worsen in the future because the international ore supply will be tight, and competition with refineries of developing countries is anticipated.

For this reason, the company will handle everything from mine development to the sale of metal with the aim of increasing the stability of raw materials and business earnings. First, it will raise its company-owned mine percentage to 20 percent by the year 2000, and later to the 50 percent level.

The plan for coal is the development of new mines and the import and sale of general coal for electric power. Of the coal imported into Japan, there is the raw material coal for steel and the general coal for electric power. Of these, an increase is anticipated in the stable amount of general coal for thermoelectric power.

The trend is to choose coal quality for thermoelectric power-generation boilers. It has incorporated the electric power sector that was in the fuel department into the new division in consideration of combining the technology that controls the quality of the coal mined in addition to the mining technology and their development as exclusive mines.

In overseas mines where the company is providing capital participation, it has four locations for metals—including the United States and Chile—and six places for coal—such as Australia and Indonesia.

North Korea

Government Delegation Departs for U.S. Talks

SK0809104994 Pyongyang KCNA in English 1046 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—A DPRK delegation headed by Kim Chong-u, vice-chairman of the State External Economic Affairs Commission, left here today by plane to participate in the DPRK-U.S. expert-level negotiations on the provision of light water reactors and compensation which will be held in Berlin in accordance with the agreed statement between the two countries.

The two sides agreed to begin the negotiations in Berlin from September 10 at a recent working contact in New York.

Daily: Seoul's Maintenance of MAC 'Regrettable'

SK0809045794 Pyongyang KCNA in English 0448 GMT 8 Sep 94

["They Must Not Behave Imprudently"—KCNA headline]

[Text] Pyongyang, September 8 (KCNA)—The Kim Yong-sam group cried for the "maintenance" of the present armistice system, grumbling that the recent decision of the Chinese Government to withdraw its delegation from the Military Armistice Commission [MAC] "is regrettable" and "is not appropriate".

Commenting on this, a NODONG SINMUN today brands this as an attempt to lower the checkbar on the way of defusing tension and preserving peace on the Korean peninsula.

The analyst notes:

It is widely known a fact that the present armistice system remains in name only and it cannot assume any responsibility for stabilising the situation on the Korean peninsula and preserving peace.

For this, we put forward a proposal to establish a new peace arrangement taking its place and the Chinese side admitted its urgency and took a measure of withdrawing its delegation from the present armistice supervision machine.

Yet the traitor Kim Yong-sam is arguing for the "maintenance" of the present armistice system. He seeks in this the sinister intention to keep the unstable state of truce for an indefinite period on the Korean peninsula and continue using the present armistice system as a camouflage for his anti-DPRK manoeuvrings.

It is the DPRK and the United States that are partners of the negotiations on the establishment of the new peace arrangement which would replace the present armistice system. In view of the armistice agreement, the South Korean puppets have no legal justification and qualification to poke their nose into the question of changing the present armistice system into a peace arrangement.

The harder the traitor Kim Yong-sam tries to obstruct the establishment of a new peace arrangement, the worse the straits he is driven into.

The Kim Yong-sam clique must not act rashly.

Kim Yong-sam Moves To 'Security-Oriented Rule'

SK0809042194 Pyongyang KCNA in English 0416 GMT 8 Sep 94

[Text] Tokyo, September 6 (KNS-KCNA)—The League of Korean Youth in Japan released a statement on September 5 denouncing the Kim Yong-sam puppet clique of South Korea for resorting to "a new security-oriented rule."

"We cannot overlook the fact that the Kim Yong-sam clique launched a frantic suppressive campaign against the 'chuche idea faction,' branding as 'a pro-North force' those students who are searching for an advanced idea and struggling for independence, democracy and reunification," the statement said, bitterly denouncing them for pursuing "a new security-oriented rule."

It continued:

"The hysteric acts of the Kim Yong-sam clique are nothing but a death-bed wriggle of those driven into a tight corner. Our nation of 70 million will no longer tolerate their desperate acts but pass a judgement on the traitors, human dregs, in the name of justice.

"The Korean youth and students in Japan will fight it out shoulder to shoulder with the students in the South to reunify the country with the united strength of the nation under the guidance of the dear leader general Kim Chong-il."

NODONG SINMUN Condemns Japan's 'Militarism'

SK0809044694 Pyongyang KCNA in English 0438 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—The "conference on defence affairs," a thinktank of the Japanese prime minister, recently demanded that participation in the U.N. "peace-keeping operation" be defined as a main task of the "Self-Defence Forces" [SDF] and that the law be revised to allow "SDF" dispatch overseas to conduct military activities.

Commenting on this, a NODONG SINMUN analyst today says:

This is intended to allow the combat action of the "SDF" overseas, pave the way for legalizing armed intervention and war of aggression and play the role of "police of the world" in quelling regional disputes.

Lurking behind it is Japan's intention to exercise military and political influence on the settlement of international disputes as a major military power and take part in scrambles for world supremacy. Japan's escalation of the overseas dispatch of the "SDF" is to attain this objective.

Japan is feverishly hastening arms buildup to realise its ambition for overseas aggrandizement with military strength.

Today the Japan "SDF" is leading modernized Armed Forces of the world.

The loud cry of the "conference on defence affairs" for the qualitative strengthening of the "SDF," dependable function of intelligence service and introduction of a theatre missile defense system means urging the government authorities to round off the combat preparedness for overseas aggression and take action to build an order under their control.

Cabinet ministers of Japan openly defend the Pacific War and visit the "Yasukuni Shrine," a symbol of militarism. This shows they cherish a dangerous intention to repeat the past aggression.

Japan's conversion into a military power and its move for overseas aggrandizement pose a great threat to peace in Asia and the rest of the world.

The Asian and the world people are watching them with sharp vigilance.

Japan must give up its ambition to become a military power not only in word but in deed.

MINJU CHOSON Demands Japanese 'Atonement'

SK0809104694 Pyongyang KCNA in English 1037 GMT 8 Sep 94

["Past Crimes Cannot Be Hushed Up"—KCNA headline]

[Text] Pyongyang, September 8 (KCNA)—Japan's past crimes are not a matter which can be hushed up, but it must be resolved only by international law, declares MINJU CHOSON in a commentary today.

The Japanese authorities quite often say that Japan expresses "regret" at the aggression of Japan in Asia in the past and she "will not become a military power" and, in a statement on "the 50th anniversary of the end of the war", declared that it is "a policy of Japan not to compensate" as regards the problem of "comfort women for the Army" which is the focal point in the crimes of Japan.

The analyst says: This means ruling out a probe into the truth and compensation, the main point of the liquidation of the past, and is a far cry to the demand of the Asian people, the victims of Japan's past aggression.

It is nonsensical for Japan to "liquidate" its hideous crimes unprecedented in human history by words of "apology" and such cheap veil as "plan of exchange for peace and friendship."

It is a mistake for the Japanese authorities to try to avoid the liquidation of the past by an unjustifiable way.

There can be no liquidation of the past without adequate apology and compensation.

If Japan is to properly liquidate the past, she must honestly repent of and compensate for all the crimes she committed in the past including the problem of the "comfort women for the Army".

Japan must investigate all the materials on her past crimes, fully open them to the public, not concealing them, and at the same time take a legal action against those responsible for the past crimes.

The Japanese authorities reluctantly recognize past crimes when evidences are brought to light and deny them when no evidence has yet been uncovered. It only shows the craftiness and shamelessness of Japan.

They must not think of a postwar settlement to the exclusion of us who suffered greatest disasters and sufferings at the hand of the Japanese imperialists.

The Japanese authorities must clearly know that Japan's liquidation of her past stands out as a demand of the era and make an atonement understandable to the world at an early date.

Chongnyon Cadres Visit Statue of Kim Il-song

SK0809050294 Pyongyang KCNA in English 0432 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—A delegation of veteran cadres of the General Association of Korean Residents in Japan (Chongnyon) headed by Kim Chang-hyon, advisor to the Haku Sobang Publishing House, staying in the socialist homeland, visited the statue of the great leader President Kim Il-song on Mansu Hill Wednesday [7 September].

The delegation laid a wreath before the statue and paid a silent tribute to the memory of President Kim Il-song.

"We, who have devoted ourselves to the patriotic work of Chongnyon, full of confidence and courage, always singing loudly 'Song of General Kim Il-song', are wailing, beating our chests, with bitter sorrow at the loss of the fatherly leader," said the head of the delegation, and went on:

"But, we are not only weeping in grief. Respected supreme commander Marshal Kim Chong-il is standing at the head of us. For us the fatherly leader is immediately dear Comrade Kim Chong-il and Comrade Kim Chong-il is immediately the fatherly leader.

"We will accomplish the behests of the fatherly leader, upholding only dear General Kim Chong-il with more intense loyalty and filial piety than we showed to him," he pledged.

The delegation arrived here by air on September 7.

Kim Yong-sun Meets Japanese Parliamentarian 7 Sep

SK0709233994 Pyongyang KCNA in English 2152 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea and chairman of the Korean Asia-Pacific Peace Committee, met Ganji Inoki, leader of the Sports Peace Party and member of the House of Councillors of Japan, who is the World Professional Wrestling champion, and his party and conversed with them in a friendly atmosphere in Pyongyang on September 7.

Hosts Party for Japanese Guests

SK0809044294 Pyongyang KCNA in English 0428 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—The Korean Asia-Pacific Peace Committee gave a party at the Mansudae Assembly Hall Wednesday [7 September] in honor of the leader of the Sports Peace Party of Japan and his companions, on a visit to Korea.

Invited there were Ganji Inoki, leader of the party and member of the House of Councillors of Japan, who is the World Professional Wrestling champion, and his companions.

Kim Yong-sun, secretary of the C.C. [Central Committee], the Workers' Party of Korea and chairman of the Korean Asia-Pacific Peace Committee; Pak Myong-chol, chairman of the State Commission of Physical Culture; and other officials concerned were present.

Speeches were made at the party by Kim Yong-sun and Ganji Inoki.

Foreigners Mourn at Statue of Kim Il-song

SK0809053694 Pyongyang KCNA in English 0419 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—A friendship delegation of the Sind provincial assembly of Pakistan led by Deputy Speaker of the Provincial Assembly Munawar Ali Butt [spelling of name as received] on a visit to Korea called at the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang Wednesday [7 September] to mourn his death.

The guests laid a wreath before the statue and paid a moment's silent tribute to the memory of the great leader.

Noting that they are sharing the sorrow with the Korean people, the head of the delegation said:

"I hope the Korean people will overcome the grief and make achievements in the future work true to the behests of the president.

"The president in his lifetime opened a bright vista for the Korean people.

"We believe that the Korean people will continue to advance, closely rallied around the dear leader Comrade Kim Chong-il."

On the same day, newly-appointed Norwegian Ambassador to Korea Sverre Bergh Johansen [spelling of name as received] and a friendship delegation of the Yanbian Korean Nationality Autonomous Prefecture People's Government in China led by its Governor Zheng Longzhe laid bouquets before the statue of President Kim Il-song and observed a moment's silence to honor his memory.

Foreign Leaders Greet Kim Chong-il

SK0809042494 Pyongyang KCNA in English 0412 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—Messages of greetings came to Comrade Kim Chong-il, the dear leader of our party and our people, from heads of state of different countries on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

The messages were sent by Cambodian King Norodom Sihanouk, Ukrainian President Leonid Kuchma, Guinean President Lansana Conte, Congolese President Pascal Lissouba, Beninese President Nicephore Soglo and Belize Prime Minister Manuel Esquivel.

The messages extend warm congratulations to Comrade Kim Chong-il on the national day and wish him happiness, good health and success in his work. They express the belief that friendly and cooperative relations between the afore-said countries and Korea and between their peoples and the Korean people will be further consolidated and developed.

Cambodian King Greets Kim on Founding Day

SK0809040794 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 4 Sep 94

[Text] Comrade Kim Chong-il, dear leader of our party and people, has received a congratulatory message from Cambodian King Norodom Sihanouk on the 46th anniversary of the DPRK founding. The congratulatory message is as follows:

To your excellency, Marshal Kim Chong-il, leader [suryong] of the DPRK:

Respected and beloved your excellency marshal, the leader of the republic.

On the dignified national day of the honorable DPRK, I extend the warmest congratulations to your excellency, the great leader [widaehan suryong] of the Korean people, in the name of the Cambodian people, the Cambodian government, and myself. I heartily wish you longevity and happiness. I wish you, who is at the head [suwi] of the Korean people and state, great success in carrying out the historical cause.

On this grandiose occasion, all of Cambodia expresses the warmest and most solemn respect at the bier of the Generalissimo Kim Il-song, who is the greatest hero in Korea's history lasting thousands of years; the liberator of Korea; the father of Korean independence; the founder of the invincible DPRK; the builder of chuche Korea, which is modern and most advanced in all areas of socialist construction and state building; the builder of the Korean people's genuine paradise on earth, prepared thanks to him and your excellency Kim Chong-il; and the designer of the program for independent and peaceful reunification of Korea who made great efforts for the Cambodian people and their leader to achieve victory and success in their struggle for national liberation.

Your excellency Marshal Kim Chong-il is the most excellent successor of his excellency Generalissimo Kim Il-song. You have been upheld [chudae] as the great leader of the nation by all the people of the DPRK, the nation, and the entire Army to lead them to a bright future, just like the generalissimo who was high, noble, and renowned at home and abroad.

Like the high and noble generalissimo, you have protected the just cause of your beloved fatherland and devoted yourself to the endless development of the DPRK since your were young; the DPRK is advancing at super Chollima speed to give the Korean people the greatest happiness under your gifted leadership.

Your excellency Marshal Kim Chong-il is a great builder who has made great achievements in strengthening the national defense capability, and is a great invincible leader.

The Cambodian people and myself will always be with you and the DPRK. We are greatly proud of your great friendship, which we appreciate from the bottom of our hearts.

I express the most sublime respect to your excellency marshal, the leader of the republic.

[Signed] Norodom Sihanouk, king of the Kingdom of Cambodia

[Dated and place] 31 August 1994, Beijing

Palestinian President Sends Flowers to Kim Chong-il

SK0809112194 Pyongyang KCNA in English 1057 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il received a floral basket from Yasir 'Arafat, president of the State of Palestine, on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

The floral basket was handed to an official concerned by Ibrahim Abu Mualek, charge d'affaires ad interim of the Palestinian Embassy here today.

Peru, Mozambique Publish Bulletins on Founding

SK0809110194 Pyongyang KCNA in English 1021 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—Bulletins were printed in Peru and Mozambique on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea (September 9, 1948.)

The specially-edited bulletin which was jointly published by the Peru-Korea Institute of Culture and Friendship and the Peruvian Committee for Supporting the Independent and Peaceful Reunification of Korea on August 26, carries "With the Century," reminiscences of the great leader President Kim Il-song.

It also carries the work of the dear leader Comrade Kim Chong-il "Our Socialism Centred on the Masses Shall Not Perish" and articles titled "Comrade Kim Il-song Is Always With the World People" and "Pine Tree of Mt. Nam."

The Maputo City Committee of the Frelimo Party of Mozambique and the Mozambican Committee for Friendship with the People of the Democratic People's Republic of Korea, too, jointly printed a bulletin on August 29. The bulletin carries works of President Kim Il-song and Comrade Kim Chong-il and edits materials showing the advantages of the Korean socialist system.

It says that the DPRK was founded by the great leader Comrade Kim Il-song and has been led by the dear leader Comrade Kim Chong-il and that nothing in the world can destroy Korean socialism and bring the Korean people to their knees.

PRC President Sends Greetings to Kim Chong-il

SK0809111194 Pyongyang KCNA in English 1055 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il received a message of greetings today from Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, president of the People's Republic of China and chairman of the Central Military Commission of the PRC, on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

The message says:

The founding of the DPRK put an end to the history in which the Korean people were oppressed and subjugated and opened a new era when the people are the masters.

Over the past several decades the Korean people, under the wise leadership of President Kim Il-song and the Workers' Party of Korea, have steadfastly covered the road of socialism, made a positive contribution to peace of Asia and the world by pursuing the diplomatic policy of independence, friendship and peace and made signal achievements in different fields.

The Chinese people are sincerely rejoiced over the achievements of the Korean people and wholeheartedly wish them uninterruptedly new greater success in their future work.

We see with pleasure the Korean people, united closely around the Central Committee of the WPK headed by you, changing their sorrow into strength and making a triumphant progress in the socialist revolution and construction, carrying forward what President Kim Il-song intended in his lifetime.

China and Korea are close, friendly neighbours.

Friendship between the two parties, the two countries and the two peoples of China and Korea was forged and cultivated by revolutionaries of the old generation of the two countries.

Sino-Korean friendship has surmounted all the difficulties and it will surely be handed down through generations and constantly developed.

The Chinese party and Government set great store by Sino-Korean friendship and will as ever support the Korean people's cause of independent and peaceful reunification.

And they will continue making efforts together with the Korean party, Government and people to further strengthen and develop the friendly and cooperative relations between China and Korea.

I wish the DPRK prosperity and development.

Group Departs for News Agency Meeting in China

SK0809110394 Pyongyang KCNA in English 1049 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—A delegation of the Korean Central News Agency led by its Vice General Director Han Song-pok left here today to participate in the ninth general meeting of the Organisation of Asia-Pacific News Agencies (OANA) scheduled in China.

It was seen off at Pyongyang railway station by Pak Hyon-kyu, vice general director of KCNA.

Hwang Chang-yop Meets New Indian Ambassador

SK0709234494 Pyongyang KCNA in English 2156 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—Secretary of the Central Committee of the Workers' Party of Korea, Hwang Chang-yop today met and conversed with newly-appointed Indian ambassador to Korea Adya Nand Jha [spelling of name as received] when the latter paid a courtesy call on him.

SPA Chairman Meets Pakistani, Romanian Ambassadors

SK0709234294 Pyongyang KCNA in English 2154 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly [SPA], met and had a talk here today separately with Rehmdil Bhatti [spelling of name as received], new Pakistani ambassador to Korea, who paid a courtesy call on him and with Aureliu Ioan Lazar, Romanian ambassador who paid a farewell call on him.

Italian Visitor Gives Impressions of DPRK

SK0809112094 Pyongyang KCNA in English 1025 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—The visiting general secretary of the Movement for Peace and Socialism of Italy, Roberto Gabriele, told a press conference here that the Korean people have risen up as one man to accomplish the revolutionary cause started by President Kim Il-song, firmly believing in the dear leader Comrade Kim Chong-il.

He said:

"The Korean people wholeheartedly trust dear Comrade Kim Chong-il and have the faith that victory and glory are in store for them when they follow his leadership. As his leadership system had already been fully established in Korea, all of the people could invigorate their struggle for national reunification and socialist construction as desired by the great president in his lifetime.

"Korea must be reunified in accordance with '10-point programme of the great unity of the whole nation for the reunification of the country' put forward by the great leader President Kim Il-song. Our movement will join the world peaceloving forces in actively waging the solidarity movement for the reunification of Korea."

Central Committee Greets Tajik Head of State

SK0809111294 Pyongyang KCNA in English 1047 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—The Central People's Committee of the Democratic People's Republic of Korea today sent a message of greetings to Imamali Rakhmanov, head of state and chairman of the Supreme Soviet of the Republic of Tajikistan, on the national day of the country.

The message expressed the belief that the friendly relations between the two countries and two peoples would further develop and wished the head of state and the people of Tajikistan success in the work for peace and stability of the country.

Foreign Groups Support '10-Point Programme'

SK0709233394 Pyongyang KCNA in English 2129 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—The signature campaign supporting "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" laid down by the great leader President Kim Il-song took place in different countries.

In Portugal the mayor of Santiao Duca and deputy mayors of the city and the chairman, vice-chairmen and officials of Ajuda District, Lisbon, signed the paper. By the end of August more than 1,154,200 people of broad segments had signed the paper in the country.

The signers expressed full support for the 10-point programme and demanded the South Korean authorities immediately remove the concrete wall, a symbol of division and confrontation.

In Tanzania the secretary of the Coast Regional Committee of the Revolutionary Party of Tanzania signed the paper on behalf of 100,000 party members on August 30 and in Nigeria 619,300 people of different strata including the director of the Meziterz Company joined in the signature campaign.

Foreign Officials Support Reunification Cause

SK0809103294 Pyongyang KCNA in English 1018 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—Farouk Dahrouj, general secretary of the Central Committee of the Lebanese Communist Party, when he met the DPRK ambassador to Lebanon on August 31, expressed the belief that the Korean people would gain great achievements in the struggle for the accomplishment of the national reunification and socialist cause under the wise guidance of the dear leader Comrade Kim Chong-il, as the great leader Comrade Kim Il-song wished.

He said that the publication of the DPRK-USA agreed statement is the result of the principled and firm stand and efforts of the Korean people and the United States should unconditionally implement its duty.

Leopold Pindy Manongsono, chairman of the Culture Protection and Reform Union of the Congo, when he met the DPRK ambassador to the Congo on August 30, said that with no force can the United States and Western countries break the single-hearted unity of the leader, the party and the masses in Korea which was fostered by his excellency the great President Kim Il-song in his lifetime and is daily growing stronger under the guidance of his excellency the dear leader Kim Chong-il.

Expressing the belief that the Korean people would creditably carry out the socialist construction and the cause of national reunification, unshaken by any pressure and blockade of the United States and Western countries he stressed that he would actively support and encourage the struggle of the Workers' Party of Korea and the Korean people in the future, too.

Overseas Media Praise 'Greatness' of Kim Chong-il

SK0809043694 Pyongyang KCNA in English 0426 GMT 8 Sep 94

["Korea Has a Great Successor"—KCNA headline]

[Text] Pyongyang, September 8 (KCNA)—Foreign media lauded the greatness of the dear leader Comrade Kim Chong-il.

The Ghanaian paper GHANA DEMOCRAT carried an article entitled "The Heir to the Leadership of the Democratic People's Republic of Korea" together with a portrait of Comrade Kim Chong-il.

It said:

Many years have passed since the revolution was started in Korea. In this period there have been rigorous tests and alternation of generations. Korea is, however, walking a straight path of revolution as ever, without vacillation. This is because the question of inheritance of leadership was successfully solved with Comrade Kim Chong-il wisely leading the whole affairs of the party, the state and the army from long ago.

Comrade Kim Chong-il is carrying forward the cause of President Kim Il-song who paved the road of revolution, having inherited his position and role of leadership.

He is a prominent thinker and theoretician, a great statesman, a military strategist and a true people's leader boundlessly faithful to the country and the people.

The Latin America news agency "PRENSA LATINA" of Cuba said in an article entitled "Korea Has a Great Successor":

Today the Korean people are registering achievements in politics, economy, culture and all other fields.

After the birth of the republic Korea has turned into a powerful socialist state which places man in the centre of everything and attaches importance to independence, self-support and self-reliance in defence by applying the chuche idea under the leadership of President Kim Il-song and Comrade Kim Chong-il.

Leadership over the party, the state and the military affairs has been successfully inherited in the Democratic People's Republic of Korea today.

Comrade Kim Chong-il has turned the country into a optimistic and stable society. He is the supreme leader of the Workers' Party of Korea, the state and the army.

He is on the noble mission to achieve the peaceful reunification of Korea by means of confederacy based on one nation, one state, two systems and two governments, as desired by President Kim Il-song. He will successfully accomplish this historical cause of national reunification.

The Thai paper XIN ZHONG YUAN RIBAO, the Burundian paper LE RENOUVEAU and the Mexican paper CAMBIO carried articles on the greatness of Comrade Kim Chong-il under the titles "His Excellency Kim Chong-il Succeeds Revolutionary Cause of President Kim Il-song", "His Excellency Kim Chong-il Is the Leader of the Korean People", etc.

Kim Chong-il Said 'Synonymous' With Kim Il-song

SK0809081694 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 8 Aug 94

[NODONG SINMUN 8 September article: "The Great Leader Comrade Kim Il-song Is With Us Forever"]

[Excerpts] Two months have passed since the great leader Comrade Kim Il-song died. For the two months, experiencing sorrow which is beyond description, our people have shed many heart-rending tears while making blood-boiling oaths and have been creative and innovative in turning sorrow into strength. [passage omitted on revering Kim Il-song and hailing his achievements]

Although the great leader Comrade Kim Il-song's heart stopped beating, the great Comrade Kim Chong-il [widaehan kim chong-il tongji], who is resolutely defending and brilliantly consummating his cause, is with us. Comrade Kim Il-song is synonymous with Comrade Kim chong-il. Comrade Kim Chong-il is a matchless great man, whom our nation and mankind have greeted and upheld and is the great leader [widaehan yongjoja] who is infinitely loyal to his leader [suryong] and his people.

From the great Comrade Kim Chong-il's ideology and leadership we see the victory of the great leader Comrade Kim Il-song's ideology and leadership and the victory of his sacred cause.

Our people will uphold the great leader's lifetime will and will follow the great Comrade Kim Chong-il's ideology and leadership with one mind with loyalty and filial piety, and, thus, consummate the chuche cause, our leader's [suryong] cause, to the end.

The great leader Comrade Kim Il-song is with us forever. The great Comrade Kim Chong-il is with us.

Daily Cited on People's Support for Kim Chong-il

SK0809102894 Pyongyang KCNA in English 1013 GMT 8 Sep 94

["The Great Leader Comrade Kim Il-song Is Always With Us, NODONG SINMUN"—KCNA headline]

[Text] Pyongyang, September 8 (KCNA)—Pyongyang-based newspapers today dedicate articles to the lapse of two months since the death of President Kim Il-song under the streamer headline "The Great Leader Comrade Kim Il-song is Always With Us."

A by-lined article of NODONG SINMUN reads in part:

The last two months since the great leader Comrade Kim Il-song passed away have seen that the feelings of trust and reverence of our people and the world people for him grew deeper and warmer.

Although time has flown, his august image remains and grows to be more vivid and impressive in our hearts.

The image of the sun always beaming with a bright smile.

Wherever they live, the Korean people, cherishing the kind image of the great father, renew their determination to remain loyal to his cause to the last.

An endless stream of people is climbing Mansu Hill in Pyongyang where a tall statue of the great leader is standing.

People, men and women, young and old, come to the hill again and again, morning and evening, day and night, rain or shine, with bouquets and wreaths with ribbons bearing the words "The great leader Comrade Kim Il-song is always with us" attached. Asleep or awake, they cannot forget their fatherly leader and their trust and reverence grow deeper.

The dear leader Comrade Kim Chong-il said:

"The great leader opened the way of rebirth to our nation when it was on the point of ruin and has made our people, once humiliated and oppressed by others, the most proud and dignified people in the world."

In the past, our people in deep grief of a stateless nation prayed God to save their destiny and entrusted others with it. But nothing and nobody could save their destiny.

It is the great leader Comrade Kim Il-song who did it, who defended and exalted our destiny in the hard-fought fatherland liberation war on which the destiny of the country and the nation was staked and in the postwar ordeals and who placed on the peak of dignity and might our Korea which had been backward for ages and had been a victim through history to the scrambles of big powers for sphere of influence and oppressed by big countries.

Visiting his statue, our people shed tears, looking back on his greatness and shining feats, and made a pledge of loyalty to exalt his idea forever. Making innovations at factories, farms, construction sites and research centres, they cherished his great image and recalled his great history and benevolence.

People cannot forget the father's love and devotion.

Our leader was a great leader and a great man who was gifted with love for the people and embroidered a new legend of human love without precedent in history. He was our great father who devoted his soul and energy to the country and the people all his life.

Though many thousand years pass, our people will not forget the devoted service and achievements of the fatherly leader who dedicated his all to the prosperity of the country and the happiness of the people, the reunification of the country and the independence of the world until his heart stopped beating.

Two days before his death, the great leader met officials in different sectors of the national economy, discussed with them for many hours and gave them valuable instructions how to develop the economy of the country and improve the people's standard of living. Tired as he was, he gave instructions guiding various sectors of the national economy. An official who received his instructions that day has this to say:

"Our leader's heart throbbed with love for the people till the last moments and his last efforts and energy were also dedicated to the noblest cause for the people. Even if our bodies are crushed and torn to pieces, we will always remember his intentions, carry them into practice without fail and accomplish the revolutionary cause of chuche under the guidance of the dear leader Comrade Kim Chong-il."

The great leader of the people will be immortal among them, immortal with historical progress and immortal with the victorious cause.

Comrade Kim Il-song remains alive in our hearts as the image of the great sun who saved and exalted the destiny of our nation, and he is with us today as the image of the great father who devoted everything to the people all his life.

He remains alive along with our era and he is with the world as the outstanding leader and a peerless great man who pioneered the human cause of independence.

Today the world people highly laud the greatness and exploits of our leader, saying: "We should build a gold tower praising the greatness of President Kim Il-song in the centre of the Pacific Ocean," and "We should build a gold tower praising President Kim Il-song's achievements on the highest place of the globe and his statue and a grand revolution museum on his achievements in the centre of the globe."

Although Comrade Kim Il-song's heart stopped beating, we have the great Comrade Kim Chong-il who resolutely defends and creditably carries forward his cause.

Comrade Kim Il-song means Comrade Kim Chong-il.

Under any circumstance our people will uphold the idea and leadership of the great Comrade Kim Chong-il with loyalty and filial piety, true to the behests of the great leader, and accomplish our leader's cause, the cause of chuche.

The great leader Comrade Kim Il-song is always with us.

We have the great Comrade Kim Chong-il.

Daily Describes 'Revolutionary Foreign Policy'

SK0809110094 Pyongyang KCNA in English 1044 GMT 8 Sep 94

["Independence, Peace and Friendship are Basic Idea of Foreign Policy of the DPRK"—KCNA headline]

[Text] Pyongyang, September 8 (KCNA)—The idea of independence, peace and friendship expounded by the great leader Comrade Kim Il-song is the idea of the revolutionary foreign policy which makes it possible to defend and exalt the anthropocentric socialist system of Korean style and the common noble idea of mankind which will really help toward the strengthening of international solidarity and to the promotion of the cause of global independence, says NODONG SINMUN in a signed article today.

The article goes on:

The idea of independence constitutes a foundation stone defining all the foreign policy and activities of the DPRK Government.

The DPRK Government has always worked out its foreign policies independently and thoroughly defended its sovereignty, rejecting all manners of pressure, threat and blackmail. And, at the same time, it has actively supported the just cause of the peoples of all countries for national sovereignty and liberation against domination and subjugation of the imperialists.

The idea of peace is an essential demand proceeding from the nature of the state and social system of our country.

Our people's cause of socialism and national reunification can be successfully accomplished only when a peaceful climate is created.

The DPRK Government resolutely opposes the imperialists' policy of showdown of strength and their policy of aggression and war and invariably demands a stop to the arms buildup, the dissolution of the military blocs, the dismantlement of the outside military bases, the creation of a nuclear-free, peace zone and the prohibition of test and production, stockpiling and use of nuclear weapons.

It is the steadfast policy of the DPRK Government to strengthen friendship with other nations.

While paying primary attention to the development of friendly relations with the socialist and non-aligned countries and other progressive countries of the world in the idea of friendship, the DPRK Government establishes friendly ties with those capitalist countries friendly toward our country and, especially, is directing due attention to the promotion of friendly relations with Asian nations.

The DPRK Government will as in the past, so in the future, too, continue to thoroughly implement the idea of independence, peace and friendship elucidated by the great leader Comrade Kim Il-song in his lifetime and thus accelerate the socialist construction in our country and make a positive contribution to the accomplishment of the cause of global independence.

Events Mark 46th Anniversary of DPRK Founding

Senior Officials Lay Wreaths

SK0809045294 Pyongyang KCNA in English 0443 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—Senior party and state officials, soldiers of the People's Army, working people and school youth and children are laying wreaths and bouquets before the statue of the great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, on Mansu Hill here from the morning today on the lapse of two months since his death and 46 years since the founding of the DPRK.

A wreath from the great leader of our party and our people Comrade Kim Chong-il, chairman of the National Defence Commission of the DPRK and supreme commander of the Korean People's Army, is lying before the statue.

Around the statue, colours of the Korean People's Army were standing and a guard of honour of the three services of the Korean People's Army are lined up.

Premier of the Administration Council Kang Song-san and Vice-Presidents Yi Chong-ok and Kim Yong-chu who are Politburo members of the Central Committee of the Workers' Party of Korea and Vice-President Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party, and other senior party and state officials were present at wreath laying.

Anti-Japanese revolutionary fighters, generals and soldiers of the Korean People's Army, working people of all walks of life, school youth and children were also present.

Wreaths and bouquets are being laid before statues of President Kim Il-song in different parts of the country.

They all pay a silent tribute to the memory of President Kim Il-song, remembering with respectful feelings his great life which will shine through centuries and renew their firm determination to accomplish the revolutionary cause of chuche through generations with the dear leader Comrade Kim Chong-il at the head of the party, the state and the army.

Leaders Attend Ceremony

SK0809092294 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 8 Sep 94

[Wreath-laying ceremony at Kim Il-song's statue on Mansudae Hill on 8 September, two-month anniversary of his death and 46th anniversary of the founding of the DPRK—recorded]

[Excerpts] [passage omitted] This is the Mansudae Hill in Pyongyang, the capital of revolution. This is Mansudae Hill where the statue of the fatherly leader, who called our people the bright future of communism, is solemnly placed.

A little later, a wreath-laying ceremony attended by party and government cadres, soldiers of the People's Army, workers, youths and students, and overseas compatriots will take place here two months after the respected and beloved Comrade Kim Il-song's death and the 46th anniversary of the founding of the Republic. [passage omitted]

Attending the ceremony are Comrade Kang Song-san, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and premier of the State Administration Council [SAC]; Comrades Yi Chong-ok and Kim Yong-chu, members of the Political Bureau of the WPK Central Committee and vice presidents; Vice President Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice premier of the SAC as well as foreign minister; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of general staff of the Korean People's Army [KPA]; Comrades Kye Ung-tae and Han Song-yong, members of the Political Bureau of the WPK Central Committee and secretaries of the party Central Committee; Comrade Kim Chol-man, candidate member of the Political Bureau of the WPK Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrades Choe Yong-nim and Hong Song-nam, candidate members of the Political Bureau of the WPK Central Committee and vice premiers of the SAC; Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Commission; Comrades Paek Hak-nim, Kim Pong-yul, Kim Kwang-chin, and Kim Ik-hyon, vice marshals of the KPA; Comrades Kim Ki-nam, Kim Kuk-tae, Hwang Chang-yop, Kim Chung-nin, So Kwan-hui, and Kim Yong-sun, secretaries of the WPK Central Committee; Comrades Kim Hwan, Kim Pok-sin, Kim Yun-hyok, Chang Chol, and Kong Chin-tae, vice premiers of the SAC; Yun Ki-pok, chairman of the Economic Policy Commission of the Central People's Committee; Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administrative and Economic Committee; Yu Mi-yong, chairman of the Chondoist Chongu Party Central Committee; and Pae Pyong-tu, vice chairman of the Central Standing Committee of the General Association of Korean residents in Japan [Chongnyon], who is currently visiting the socialist fatherland.

Also attending the ceremony are responsible functionaries of the party, the power organs, the administrative economic organs, the central organs, the parties, and social organizations; anti-Japanese revolutionary fighters and bereaved families of revolutionary martyrs; officers and men of the KPA and the Korean People's Security Forces; public security workers; and functionaries of the sectors of science, education, culture, arts, public health, the media, and the press; workers; youths and students; and Koreans living overseas, including various delegations of the Chongnyon, who are currently visiting the socialist fatherland.

Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administrative and Economic Committee, will make a speech. [passage omitted]

KCNA on Wreath-Laying Ceremony

SK0809112794 Pyongyang KCNA in English 1108 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—Senior party and government officials, People's Army soldiers, working people and school youth and children today presented wreaths before the statue of the respected leader President Kim Il-song on Mansu Hill in Pyongyang on the lapse of two months since his death and on the 46th founding anniversary of the Democratic People's Republic of Korea.

Seen in front of President Kim Il-song's statue was a wreath sent by the great leader of our party and our people Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army. Present at the wreath-laying ceremony were Premier of the Administration Council Kang Song-san; Vice-Presidents Yi Chong-ok and Kim Yong-chu, who are members of the Political Bureau of the Central Committee of the Workers' Party of Korea; Vice-president Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party; and other senior party and government officials, leading officials of party and government bodies and administrative and economic organs, central organs and political parties and public organisations, anti-Japanese revolutionary fighters, bereaved families of the revolutionary martyrs, generals and soldiers of the Korean People's Army and the Korean People's Security Forces, public security officers, men of science, education, culture and art, public health and the press, working people, and school youth and children.

The head of honour guards of three services of the Korean People's Army made a report toward the statue of President Kim Il-song.

The national anthem was played. Then laid before the statue of President Kim Il-song amid the playing of the dirge were wreaths in the name of the Central Committee of the Workers' Party of Korea, the DPRK Central People's Committee, the Administration Council, the anti-Japanese revolutionary fighters, the Ministry of People's Armed Forces, the Ministry of Public Security, units of the Korean People's Army and the Korean People's Security Forces, commissions and ministries under the Administration Council, joint organisation of the Korean Children's Union, political parties, public organisations, central organs and others.

The participants paid a moment's silent tribute to the memory of President Kim Il-song who had devoted his whole life to the popular masses' cause of independence and conducted energetic activities without rest to the last moment of his life for the prosperity and development of the country, for the happiness of the people and for the reunification of the country and global independence.

They hardened their faith and will to defend and exalt the Korean-style socialism under the guidance of the great leader General Kim Chong-il and carry forward and accomplish the revolutionary cause of chuche started by President Kim Il-song generation after generation.

Wreaths and bouquets of flowers were also laid before the statues of President Kim Il-song in all provincial seats, cities and counties.

Diplomatic Corps Sends Letters to Kim Chong-il

SK0809112394 Pyongyang KCNA in English 1059 GMT 8 Sep 94

[Text] Pyongyang, September 8 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il received baskets of flowers and congratulatory letters from the diplomatic corps and the economic and commercial counsellors corps here on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

The baskets of flowers and congratulatory letters were handed to Vice-premier and Foreign Minister Kim Yong-nam by doyen of the diplomatic corps Yasir Farah, Syrian ambassador to Korea, today and to an official concerned by doyen of the economic and commercial counsellors corps Evgeni Bilim, commercial representative of Russia, on September 7.

New Scientific, Educational Films Released

SK0709233294 Pyongyang KCNA in English 2151 GMT 7 Sep 94

[Text] Pyongyang, September 7 (KCNA)—The Korean Scientific and Educational Film Studio has released new scientific films.

The scientific film "How To Make Fire in Boiler by Plasma" shows a new plasmatron easily kindles a boiler by building the fire above 10,000 degrees centigrades. And the film stresses that if it is introduced into big thermal power plants, metal heating ovens and cement kilns, it would ensure their safer operation.

The film "Scientific Knowledge No. 57" shows the discovery of sulfuric mud of medicinal value on the west coast of Korea and introduces its efficacy.

The scientific film "A New Method in Korean Bee-Keeping" vividly introduces the character of the Korean bees adapted to the climatic and topographical conditions of Korea which have a strong resistance against cold and disease and suck honey from flowers which bloom from early spring till late autumn. It shows when these bees are kept in frame beehives honey output increases several times over cylindrical ones.

The studio also released the scientific film "Production of Glucose With Cellulose" introducing the experiences of the Mundok County Food Administration Station in producing glucose by dissolving 80-85 percent of maize husk, one of solid cellulose, with newly-discovered mist, showing the propagative rate of the must, its vitality and dissolving power.

It produced other scientific films helpful toward the economic development of the country and the improvement of the people's living standard.

South Korea

Han, Christopher Discuss Reactors for DPRK

SK0709231194 Seoul KBS-1 Radio Network in Korean 2200 GMT 7 Sep 94

[Report by Yi Kang-sok and Yu Su-pong from Washington]

[Text] Foreign Minister Han Sung-chu, who is on a visit to the United States, and U.S. Secretary of State Warren Christopher held foreign ministerial talks on 7 September, reconfirming the basic principle that the U.S.-DPRK dialogue and South-North dialogue must be promoted via complementary cooperation.

In particular, the two countries agreed that progress in South-North dialogue is necessary [kinyo] to the improvement in U.S.-DPRK relations, such as the exchange of liaison offices between the United States and North Korea. They also shared the opinion that the ROK's leading role [chudojogin yokhal] is indispensable [pilsu pulgagyol] in providing support for North Korea's switch to using a light-water reactor system.

The two countries shared the opinion that, in light of actual circumstances, the ROK's central role is indispensable to providing support for the DPRK to switch to using light-water reactors, and that the DPRK should be provided with ROK-type reactors.

The ROK and the United States have also agreed that peace on the Korean peninsula is an issue to be resolved between the South and the North through negotiations [nambukhangane hyobuihaeso haegyoltoel saan]. They reconfirmed that the present armistice system must be observed until a peace system is signed that is built on an agreement between the South and the North, and that they oppose any measures detrimental to this [irul haechinun otton chochiedo pandaehanda].

Stress N-S Talks, Nuclear Clarity

SK0809010294 Seoul YONHAP in English 0055 GMT 8 Sep 94

[Text] Washington, Sept. 7 (YONHAP)—South Korea and the United States on Wednesday [7 September] tied progress in Washington-Pyongyang relations with headway in inter-Korean dialogue and demanded that North Korea clarify its past nuclear activities before it can be given new reactors.

South Korean Foreign Minister Han Sung-chu and U.S. Secretary of State Warren Christopher highlighted the two points at a press conference following their talks here.

Han said the two countries confirmed the importance of nuclear transparency in North Korea's present, future and past activities and noted that inter-Korean relations must advance in parallel with U.S.-North Korea ties.

Christopher took pains to emphasize that the North Korean nuclear problem cannot be fully solved unless Pyongyang engages in substantive dialogue with Seoul.

Washington has been making clear that it wants progress in inter-Korean talks and will urge that the dialogue resume at every opportunity.

Inside sources said, however, the two sides agreed that a resumption of inter-Korean talks is not a precondition to an exchange of liaison offices between Pyongyang and Washington.

The South Korean foreign minister repeated Seoul's position that it is willing to participate in and finance North Korea's reactor conversion once Pyongyang's nuclear program becomes transparent.

Christopher echoed that view, saying the reactors will be provided when North Korea alleviates international concerns about its past nuclear activities.

Washington supports providing the South Korean reactor model and feels that Seoul must be the principal financer, but is reluctant to come right out and say so, according to the sources.

The secretary of state cited special inspections of North Korea as an important part of nuclear safeguards, a step that both the International Atomic Energy Agency (IAEA) and the United States deem a prerequisite to solving the nuclear problem.

Asked about Washington's willingness to negotiate a peace treaty with Pyongyang, Christopher said the issue remains far off but left room for doubt, noting it must be dealt with through consultations with South Korea.

Christopher's remarks differ from South Korea's announcement that the two sides have confirmed the current armistice mechanism must be retained until South and North Korea agree on a new peace regime.

Han's spokesman said the State Department is likely to set the situation straight at Thursday's noon briefing.

The secretary of state gave little weight to U.S.-North Korea experts' talks on establishing liaison offices beginning this Saturday in Pyongyang, saying they merely plan to gather facts related to opening the offices.

The United States will consult with Seoul at every step of the way, he said.

The U.S. official reaffirmed the strength of Washington's security commitment to South Korea, saying the 37,000 American troops guarding the Korean demarcation line will continue to do so.

Christopher added that he plans on going to South Korea toward the end of this year.

Government Sends Official to U.S.-DPRK Talks

SK0809103694 Seoul YONHAP in English 1032 GMT 8 Sep 94

[Text] Seoul, Sept. 8 (YONHAP)—The government on Thursday sent a Foreign Ministry official to Berlin for close cooperation with the United States over a U.S.-North Korea experts meeting slated for Sept. 10 there.

Pak In-kuk, chief of the ministry's Disarmament and Atomic Energy division, is expected to convey the government's position to U.S. negotiators and report to Seoul the outcome of the talks.

The Berlin talks will take up the issues of support for light-water reactors, furnishing of substitute energy and handling of spent fuel rods. A similar experts meeting takes place at the same time in Pyongyang to discuss the question of exchanging liaison offices between Washington and Pyongyang.

Article Compares ROK, Russian Nuclear Reactors

SK0809125294 Seoul CHUNGANG ILBO in Korean 7 Sep 94 p 4

[Article by Yi Chong-hun, president of the Korea Electric Power Corporation, KEPCO: "Neighboring Countries Will Suffer if Russian-Type Reactor Has Accident"]

[Text] Not long ago, North Korea suddenly disclosed that it could not accept a ROK-type light-water reactor. Seeing that the matters agreed with the United States were suddenly overturned, we doubt that the matters agreed at the North-U.S. talks will be fulfilled properly. Our government's position is that it cannot provide any financial aid for North Korea's light-water reactor if North Korea rejects a ROK-type light-water reactor. This notwithstanding, there is almost no possibility that the United States will bear such an enormous burden.

Already in 1970, our country had adopted light-water reactors as our country's main reactor for atomic power plants—with heavy-water reactors as supplementary reactors—and have made steady efforts to become self-reliant in technological terms. Also, we have selectively received technology for installing light-water reactors from the Westinghouse Company of the United States and the Framatome Company of France, and have received comprehensive technology for designing atomic power plants from the Bechtel Company of the United States. We have also participated in a research project on improving light-water reactors planned by the EPRI [electric power research institute] of the United States, thereby absorbing their technology and acclimating it to our needs.

In particular, in 1986, when we built 1 million kw-class light- water reactors for Yonggwang Atomic Power Plants No. 3 and 4, we decided to introduce "System 80," whose technological reliability had been tested and verified when it had been developed and installed in the state of Arizona by the Combustion Engineering Company of the United States. In addition, we saw to it that an additional contract was prepared on the core technology so the technology transfer would not be wasted.

The "ROK-type atomic reactor," which is now being debated, is an atomic-type reactor in which this "System 80" type-reactor is combined with the technology that was tested and verified as a result of the research on improving light-water reactors by the EPRI. The ROK-type reactor is highly enhanced in safety and has been developed in conformity with our industrial reality.

In accord with this type of reactor, our country has decided on a power plant designed to generate 1 million kw of electricity as the standard atomic power plant. We have continuously copied and built such reactors and facilities for power generation. This standard atomic power plant has the advantages of reducing building costs because it has been designed domestically in conformity with the ROK's industrial reality and, therefore, most of the equipment and materials can be produced domestically.

Accordingly, if North Korea accepts this ROK-type light-water reactor, it will be very helpful in overcoming technological difficulties that might arise during the operation of the reactor, as well as in economic terms. Because the already prepared designs of the power plant can be utilized and the building of a reactor can be copied from the similar one in Yonggwang, cost reduction will be great. At the same time, it will be possible to enjoy highly enhanced efficiency because all special building equipment, operational proceedings, parts for repair, and special tools necessary for changing fuels—all of which are essential—can be used as they now exist.

However, what is more important than convenience or economics, is the safety of an atomic power plant. There is a man who calls the electricity generated from an atomic power plant "a contract with the devil." An atomic power plant, whose safety has not been guaranteed, is really a calamity on mankind. Subsequently, the choice of a reactor with a verified safety record is the standard that should precede anything else. Russia reportedly wishes to provide North Korea with a light-water reactor, which is said to have been newly developed by the country. Its safety, however, has not yet been verified. Under these circumstances, there is no reason for North Korea to pay a lot of money to introduce and experiment with a Russian-type light-water reactor. No matter how urgent the building of a light-water reactor may be, there is no reason to build a light-water reactor with an unverified safety record and to become a guinea pig.

Moreover, if a unfortunate event should take place—one in ten thousand chance—it is clear that the damage from it would surely spread throughout the entire Korean peninsula and neighboring nations, as well as throughout North Korea itself. In a word, we cannot sit idly by and suffer while seeing North Korea recalcitrantly introduce a light-water reactor with an unverified safety record and waste technological manpower for the next 50 years. Advanced countries enthusiastically lobby to sell their facilities to developing countries.

However, the North Korean authorities should not forget that the introduction of a light-water reactor with an unverified safety record might serve as a "Trojan Horse" on the Korean peninsula.

Of course, we know why North Korea is rejecting a ROK-type light-water reactor. Aside from the type of the reactor, North Korea may not like the name "ROK." We understand that if they adopt a ROK-type reactor belatedly, the North Korean authorities cannot save face to their citizens. Then, my opinion is that we should not use the name ROK. I suggest we devise a new name that can be accepted internationally.

An alternative to the name for a ROK-type light-water reactor is "System 80+K," in which the internationally recognized name "System 80" is combined with a letter K signifying Korea. This can be used as a "light-water reactor for unification" within the country. With such a name, North Korea has no reason to reject such a reactor. The symbolic meaning—that the atomic reactors have been unified before the unification of the South and North is realized—will surely be great.

Police Begin Probe of U.S. Counterfeit Bills

SK0709083694 Seoul YONHAP in English 0813 GMT 7 Sep 94

[Text] Seoul, Sept. 7 (YONHAP)—Police have launched an intensive investigation after uncovering 29 counterfeit U.S. 100-dollar bills in Seoul Monday and Tuesday, following the discovery of 75 bogus 100-dollar notes in Yesan, South Chungchong Province, on Aug. 23.

After 15 counterfeit notes were found at the Emerald Hotel Monday, nine more turned up at the Rivera Hotel and another five at the Ramada Renaissance hotel Tuesday. All three hotels are located close to one another in southern Seoul.

Most counterfeit bills found in South Korea in the past were brought into the country by South Koreans traveling to Hong Kong or Macao, people who received them overseas without knowing they were bogus. As more counterfeits are uncovered in succession, however, police now suspect that foreign counterfeiters may be using South Korea to launder fake 100-dollar notes.

The number of counterfeit 100-dollar bills reported to police so far this year totals 129, including the 14 unearthed Tuesday.

The five bogus notes that turned up at the Ramada Renaissance were confirmed by police as having been exchanged last Saturday night by a Pakistani named M. Jamil who appeared to be about 30 years old. Police have kicked off a nationwide search with the help of a closed-circuit television camera, which captured his image.

Nine counterfeit bills were among 1,100 dollars exchanged at the Rivera Hotel around noon Sunday by a certain "Muhammad," an Arab aged about 30. The Seoul immigration office, however, has confirmed that the names M. Jamil and Muhammad were fabricated as well as their passport numbers.

Given the fact that the nine bogus notes were identical to the 15 bills at the Emerald Hotel, police suspect that Muhammad and M. Jamil might be one person. Surveillance has been stepped up at airports and ports to prevent them from leaving the country, and Interpol asked to help in identifying the man or men.

Police are not ruling out the possibility that the counterfeit notes uncovered in Seoul over the past few days may have been produced by four North Korean counterfeiters arrested in Macao last July.

In the meantime, police believe the 75 counterfeit notes found at a jewelry shop in Yesan, South Chungchong Province, have nothing to do with the bills in Seoul. Police are searching for a Korean aged about 40 in connection with the case.

USFK Reportedly To Reinforce Helicopter Unit

SK0809041194 Seoul CHOSON ILBO in Korean 8 Sep 94 p 2

[Text] Following the deployment of 36 AH-64 Apache attack helicopters (two battalions), which is scheduled to be completed by the end of the year, the U.S. forces in Korea reportedly plan to deploy 12 more Apaches next year, increasing the total to 48.

A source well versed with affairs of the U.S. forces in Korea said on 7 September: "I know the United States has decided to increase the U.S. forces in Korea." He went on to say: "The reinforcement of the Apache helicopter unit will be beneficial to deterring any emergency attacks by North Korean mechanized units."

Daily Views DPRK Attitude Toward United States

SK0809063994 Seoul KUNGMIN ILBO in Korean 7 Sep 94 p 2

[Report on comments by Kim Pyong-il, DPRK ambassador to Finland, to unidentified Western journalist; by editorial staffer Yi Su-on from the "Yard (Hanmadang)" column: "'U.S. Imperialists' in North Korea"—place and date of comments not given]

[Text] The word "miguk [United States]" is not printed in books published in the DPRK, and the word "amerika [America]" is described only as "an abridgment of the United States of America [amerika hapchunggugul churyo irunun mal]" or as "continent encompassing the entire Western hemisphere." Even the word "mi hapchungguk [the United States of America]," which was used in the joint communique signed during the DPRK-U.S. talks in Geneva, is not used in North Korea.

"Mije [U.S. imperialism]" is the only depiction the DPRK uses for the United States [miguk]. It is an abbreviation of Mijegukchuui [U.S. imperialism]. In North Korean philosophical dictionaries and Korean dictionaries, descriptions are given as follows: "The U.S. imperialists, chieftains [tumok] of the world reactionaries, are the most notorious and shameless aggressors and plunderers in contemporary time; they are the major common enemy [wonssu] of all progressive peoples of the world." According to North Korea's description, "wonssu" is "one who can never be pardoned because of injuries he causes and because of the bloodstained grudge."

The United States is engraved in the minds of North Koreans as "a target of hundredfold and thousandfold revenge—the revenge which the Korean people will certainly inflict on the U.S. imperialists who are their sworn and inveterate enemy." This is what was taught by Kim Il-song.

There is also a slogan "Let Us Mutilate the U.S. Imperialists!" The Korean dictionary depicts this horrifying slogan, among many others, as meaning "to cut off the heads and limbs of the U.S. imperialists; it is our party's strategy that people of all countries who are struggling and carrying out the revolution will unite firmly and annihilate the U.S. imperialists."

In the DPRK, the "completely rotten culture of the U.S. imperialists, which erodes the masses' healthy spiritual world and devastates their consciousness of independence," is called "Yankee culture." The notion of the North Korean leadership is that "the masses' independence is completely violated under a system where the Yankee culture is dominant." The North Korean leadership asserts: "The U.S. imperialists spread Yankee culture under the facade of aid, and thus obliterate the indigenous spirit of a nation."

Now these "U.S. imperialists" are going to enter the DPRK on 10 September to hold expert-level meetings to open liaison offices in Pyongyang and Washington. The North Korean people are aware that "Yankee U.S. imperialists" are coming to Pyongyang. It is the first time since the division of Korea that a U.S. delegation will officially visit the DPRK. Whether the Stars and Stripes will be displayed on the table is unknown. However, we do wonder what North Koreans will think about the U.S. delegation. North Koreans always change their mind if ordered to do so by their party. Recent North Korean attitudes show the United States is no longer "U.S. imperialism" or "Yankee."

"The United States has been our enemy for a long time. However, the two countries are now preparing to usher in a new era."

The above is what Kim Pyong-il [Kim Chong-il's half brother and DPRK ambassador to Finland] recently told a Western journalist. The current situation is that we need to ruminate what he has said.

Kim Chong-il 'Expected' To Assume Dual Leadership

SK0809005294 Seoul YONHAP in English 0034 GMT 8 Sep 94

[Text] Moscow, Sept. 7 (YONHAP)—Kim Chong-il, apparently on a smooth path to becoming state president and general secretary of the North Korean Workers' Party, is expected to assume the two posts in mid-October, ITAR-TASS reported Wednesday [7 September].

Touching on Kim Chong-il's activities, the Russian news service cited North Korean press reports that he has virtually been performing the functions of president by exchanging greetings with foreign heads of state and has in fact been leading his country.

Accordingly, observers think it's just a matter of time before Kim Chong-il is designated state president and party chief. His formal ascension to power will probably come after Oct. 16, when the mourning period for his late father Kim Il-song ends, the news agency said. But a firm schedule for the official transfer of power will be made known only after the Supreme People's Assembly announces the date it will convene, which normally comes three days in advance, ITAR-TASS added.

Reporting that North Korea is preparing a final memorial service for its late president, the news agency said it remains unclear where and in what form his body will be buried. Judging from North Koreans' assertion that it is disrespectful to compare their "great, supreme leader" with Lenin or Mao, the observers believe his body will not be embalmed as was the case with the other two communist giants.

As the North Korean press has recently played up a story that the Tangun tomb renovation project is in the final stage, the news service said that Kim il-song's body will likely be buried there. Tangun is the founder of Korea and his tomb is located east of Pyongyang.

Kim Chong-il To Assume Leadership After Burial

SK0809065494 Seoul YONHAP in English 0641 GMT 8 Sep 94

[Text] Seoul, Sept. 8 (YONHAP)—North Korea seems to have decided to bury the body of Kim Il-song instead of permanently preserving it and Kim Chong-il, the late leader's son, is poised to take over as state president and party general secretary right after his father's burial, a high-ranking government official said Thursday [8 September].

Judging from various information obtained at home and abroad, the official said, North Korea apparently intends to bury Kim's body as it has decomposed after being taken out of its coffin twice due to technical problems.

The official explained that the junior Kim's succession to power has been delayed simply because work on Kim's final resting place adjacent to Tangun (the founding father of the Korean people) mausoleum has not been completed. Kim Chong-il will become official leader after the work is wrapped up, "although the exact timing can hardly be predicted at the moment."

"There is not a single sign of a power struggle inside North Korea. Kim Chong-il is virtually in control and awaiting the time for his official succession," he disclosed.

As to reports of the junior Kim's possible inauguration on the 100th day after his father's death, the official said: "Although North Korea has leaked such a possibility, it does not necessarily mean that Kim Chong-il will succeed to the top posts on the 100th day. Rather, it seems North Korea will be finishing Kim's gravesite during the cited period of 100 days."

He added that the younger Kim's inauguration may be put off to late October or early November if the grave work takes longer than expected.

In a radio report Sunday, North Korea said that the renovation of Tangun's tomb was proceeding at a speedy pace and that the work would be finished by Sept. 20.

DPRK's Kim Yong-sun Cited on Kim Chong-il Health

SK0709224094 Seoul KBS-1 Radio Network in Korean 2103 GMT 7 Sep 94

[KYODO/YONHAP from Pyongyang]

[Text] On 7 September Kim Yong-sun, secretary of the Workers' Party of Korea Central Committee, denied suspicions that Kim Chong-il has health problems. In a 7 September interview with Japanese councillor (Inoki Ganji), a former professional wrestler, Kim Yong-sun stated: Secretary Kim Chong-il's health is very good, and at present he is wisely guiding all affairs [modun munje], including party work, diplomacy, and national defense. Kim Yong-sun added that Japan should resume talks with North Korea to normalize relations, regardless of the ROK or the United States.

Two DPRK Defectors Enter Via Kimpo Airport

SK0809065694 Seoul KBS-1 Radio Network in Korean 0600 GMT 8 Sep 94

[Text] The Agency for National Security Planning [NSP] has disclosed that a North Korean student studying in the PRC and a member of the Youth Shock Brigade have entered South Korea through Kimpo Airport, seeking asylum [kwisun].

On 8 September, the NSP disclosed that (Hong Kum-su), (?26), a North Korean student who studied at the Dongbei Engineering Institute in Shenyang, and (Kim Yong-tok), 20, a member of the Youth Shock Brigade for Speed Campaign in South Pyongan Province, had entered the country through Kimpo Airport and sought asylum.

The NSP disclosed it was investigating in detail the motives and background of the defection. The two entered the country through Kimpo Airport from the PRC via a Southeast Asian country.

DPRK Logging Camp Defectors Hold News Briefing

SK0809072494 Seoul YONHAP in English 0715 GMT 8 Sep 94

[Text] Seoul, Sept. 8 (YONHAP)—In North Korea, political prisoners are tried by a secret court and then clubbed to death, while other criminals are often executed in public.

This revelation came at a joint press conference held Thursday [8 September] by Om Man-kyu, 37, who arrived here last month after defecting from a North Korean logging camp in Siberia, along with eight other North Korean logger-defectors.

Om said, "When I lived in Wonsan, I heard a retired official of a political prisoners' camp saying political prisoners are tried by a secret tribunal consisting of provincial party leaders and then beaten to death."

He quoted the former camp official as stating further that during his 10 years of service in the camp, he himself had beaten 30 political prisoners to death with a club and other objects.

Turning to alleged public executions in North Korea, the logger-defectors said they had witnessed open executions of non-political criminals on various charges on several occasions.

They explained that when a criminal is executed in public, a notice containing the criminal's name and offense as well as the time and place of execution is put up on a billboard two to three days in advance, with the execution then taking place before a crowd assembled at the specified location.

An Chung-hak, 36, testified, "In 1986, I personally saw two brothers executed on a robbery charge in public near the railway bridge over the Songchon River in Hamhung. The brothers, whose arms and legs were tied up, were shot to death and their bodies were burnt to ashes at a nearby crematorium. After the execution, I heard an official from the central court accusing the two brothers of having stolen American and Japanese money, in spite of the fact that from bygone days the Korean people have spat on such foreign money."

Queried about the life of repatriates from Japan, they replied that these people are placed under tight police surveillance, with their sons barred from military service. "They cherish the hope that they will meet their family members back in Japan, whom they have not met over the decades, and for this they long for normalized relations between North Korea and Japan.

Asked why they defected to South Korea, Om Man-kyu said he decided to flee because he was treated as a political prisoner after he was found using South Korean articles, adding, "Since 1989 when South Korean articles began to be sold in Khabarovsk, there has been conflict between loggers and police agents over the use of these articles."

He went on to say, "Police agents dissuaded loggers from using South Korean articles, threatening to treat those using these articles as political prisoners. But most loggers use South Korean soap and toothpaste after throwing away their labels and trademarks."

According to Han Chol-kil, 35, who ran away from a Siberian logging camp in 1989: "Kim Chong-il is using motion pictures in propaganda for chuche (self-reliance) ideology and his image. He has no partisan background, unlike his father, nor has he any outstanding qualities as a leader. This is why he was in charge of the film industry when his father was alive."

Man Posing as Logger Allowed To Remain

SK0809082694 Seoul YONHAP in English 0733 GMT 8 Sep 94

[Text] Seoul, Sept. 8 (YONHAP)—The North Korean who posed as a logger in Siberia and defected to Seoul along with a group of loggers last month will be allowed to settle in South Korea, a government spokesman announced Thursday.

The government has decided to allow Pak Mun-tok, 54, to relocate to the country in order to protect a compatriot's human rights, the spokesman said.

It will accept Pak given the fact that he masqueraded as a North Korean escapee from a Siberian logging camp because he wanted to settle in South Korea, he noted.

The government's decision represents a sharp break with the previous policy, under which Pak would have been subject to stern legal punishment including deportation in a show of the government's resolve to punish North Korean defectors found violating the law.

The government reportedly considered deporting Pak in the initial stage because he was once deported to China, in August 1992, after he entered the country illegally posing as a Chinese and because he used a false name last month to enter the country as a North Korean logger.

Unification Expenses Estimated at $1.5 Trillion

SK0809021594 Seoul YONHAP in English 0133 GMT 8 Sep 94

[Text] Seoul, Sept. 8 (YONHAP)—South Korea would need to shell out a whopping 1,200 trillion won (1.5 trillion U.S. dollars) for national unification over the coming decade if the North Korean regime were to abruptly collapse now, a journal published by the Korea Development Bank [KDB] predicted Thursday [8 September].

The KDB's "INDUSTRIAL ECONOMY" also estimated the nation would have to pay 1,800 trillion won if reunification came in 2000 through a gradual improvement in Seoul-Pyongyang relations, indicating that later unification would be costlier due to the large economic gap between the South and the North.

The journal estimated the expenses would be borne by the South on the assumption that the income level between South and North Korea would be equal 10 years after national unification.

Should unification be realized now through the sudden collapse of the North Korean regime, the journal said, South Korea would need to shell out four times the 300 trillion won of its gross national product (based on invariable 1994 prices). If unification came in the year 2000, the nation would have to spend six times its GNP to achieve equal income levels.

As of last year, North Korea's GNP stood at 20.5 billion U.S. dollars, merely one-16th of South Korea's 328.7 billion dollars.

In addition, North Korea's per capita GNP last year came to 904 dollars, just one-eighth of the South's 7,466 dollars.

KDB president Yi Hyong-ku recently made a similar prediction at a public meeting, saying the income level between the two sides would become equal in 10 years if South Korea shouldered a burden of 100 billion U.S. dollars (about 80 trillion won) every year.

DPRK Reportedly Asked PRC To Build Border Wall

SK0809024794 Seoul YONHAP in English 0241 GMT 8 Sep 94

[Text] Tokyo, Sept. 8 (YONHAP)—North Korea, in conjunction with the proposed joint development of the Tuman River estuary it shares with China and Russia, has asked China to build a wall along the two countries' border, JIJI PRESS reported Thursday [8 September].

The Japanese news service disclosed the news in a dispatch datelined Beijing, quoting Rep. Yoichi Tani of the Liberal Democratic Party, who came to Beijing after touring Yanbian Korean Autonomous Prefecture, Jilin Province, which is located in an area bordering North Korea.

JIJI quoted Rep. Tani as saying, "North Korea, concerned about possible repercussions from joint development of the Tuman River estuary, has been asking China to build a wall along the border of the two countries." Tani claimed to have heard about the request from a Yanbian official responsible for external affairs.

Daewoo Chairman Reportedly Visited DPRK Twice

SK0809021794 Seoul THE KOREA HERALD in English 8 Sep 94 p 1

[By staff reporter Yi Kyo-kwan]

[Text] Daewoo Business Group Chairman Kim U-chung secretly visited North Korea twice in mid-June and early July this year, informed sources said yesterday.

Kim's first visit was made June 10-18, during which talks between former U.S. President Jimmy Carter and the late Kim Il-song took place in Pyongyang, according to the sources. Carter stayed in Pyongyang June 15-18.

Kim again visited North Korea July 4 or 5 and returned days after Kim Il-song's sudden death July 8. Following Kim's death, there were reports in South Korean newspapers that an unknown figure from the South attended the North Korean leader's funeral.

A Daewoo official, however, denied the allegations that its group chairman visited the North twice in June and July, saying that during the cited periods Kim was in China on business.

A reliable source, however, confirmed Kim's visits, saying that the business tycoon visited the North after reporting to the government. He, however, declined to confirm whether Kim carried any message from the Seoul government.

Another source confirmed Kim's June visit. "A ranking North Korean official, whom I met in Beijing weeks ago, told me that he accompanied Kim to Pyongyang from Beijing," the source said.

The purpose of Kim's first visit, where he was accompanied by his wife, is unclear, although it appears to have been related with the historic talks between Carter and the late Kim Il-song.

At the time, discussions concerning inter-Korean economic ties were on hold, as prospects for a negotiated settlement between the United States and North Korea of the nuclear issue looked bleak.

Against this backdrop, it can be speculated that his visit might have been designed to monitor closely how the Carter-Kim Il-song talks were proceeding, the sources said.

Kim's second visit was made in a totally different atmosphere. Carter's visit to Pyongyang provided a break-through in the nuclear issue, leading the governments of Seoul and Pyongyang to agree on a summit.

The sources speculated that Kim's visit might have been related with the proposed summit where inter-Korean economic cooperation could have been discussed along with other issues.

During the week-long July visit, Kim inspected an industrial complex in Nampo, near Pyongyang, which was set up by Daewoo, according to the sources.

The Daewoo Business Group has already dedicated nine plants in the complex for use by its subsidiaries and North Korean partners.

According to the sources, Kim also met with Pyongyang government officials to discuss how to promote cooperation in such light industrial sectors as textiles for which the Nampo complex was built.

"As Nampo is well equipped with roads and ports, and has a large pool of skilled workers, the city is an attractive site for investment, especially in the light industrial sectors," the sources said.

A high-ranking official, meanwhile, said he had no knowledge of Kim's visits to the North, adding that he understood the government had not issued permits for the visits, a legal requirement under law.

Government, Daewoo Deny Visit

SK0809105494 Seoul YONHAP in English 1029 GMT 8 Sep 94

[Text] Seoul, Sept. 8 (YONHAP)—The Daewoo Business Group denied as "not true" the reports Thursday that group chairman Kim U-Chung had visited North Korea.

A government official, too, said the government had never given chairman Kim any permit to visit Pyongyang.

Reports had it early in the day that Kim U-chung visited North Korea twice last June and July before and after the death of Kim Il-song.

"Chairman Kim visited Beijing in mid-June on a business trip and again late June and early July to attend a Korea-China future forum, but never visited North Korea," a Daewoo official said.

A unification board official said, "We had received no application for a visit to North Korea from Chairman Kim. At the moment, we have no way to determine whether he visited Pyongyang."

Postal Exchanges on Korean Peninsula Urged

SK0609072294 Seoul YONHAP in English 0659 GMT 6 Sep 94

[Text] Seoul, Sept. 6 (YONHAP)—The 21st congress of the Universal Postal Union (UPU) called Tuesday for postal exchanges between South and North Korea as soon as possible.

The UPU congress, which is being held at the Korea Exhibition Center (KOEX) in southern Seoul, adopted a unanimous resolution which "requests the Democratic People's Republic of Korea and the Republic of Korea to institute postal exchanges between them as soon as possible," noting that "the direct exchange of postal items does not exist within the Korean peninsula."

To accomplish this purpose, the resolution instructed the UPU director-general to take appropriate action and requested that member countries support the full implementation of the UPU constitution on the Korean peninsula, including freedom of postal exchanges between the North and the South.

In the resolution, the congress urged the cited points, recalling "the urgent appeal made in Resolution C 37/ Lausanne 1974 to the governments of the member countries to refrain as far as possible from interrupting or hindering postal traffic, especially the exchange of correspondence containing messages of a personal nature, in the event of dispute, conflict or war."

A total of 153 nations, among the 168 participants in the Seoul congress, attended Tuesday's meeting.

The congress opened Aug. 22 and will last until Sept. 14.

Chochongnyon Cancels Kim Inaugural Celebration

SK0809024094 Seoul YONHAP in English 0137 GMT 8 Sep 94

[Text] Tokyo, Sept. 8 (YONHAP)—Chochongnyon, the pro-Pyongyang organization of Korean nationals in Japan, recently canceled hotel restaurant reservations for Sept. 25, when a party was to be thrown to celebrate Kim Chong-il's inauguration as North Korea's new president, a Japanese newspaper reported.

The SANKEI SHIMBUN, citing sources close to Chochongnyon, said the reservations were made by the organization's prefectural chapters in mid-August on the orders of its head office in Tokyo. The sources were quoted as saying Chochongnyon has put off the central committee meeting slated for Sept. 27-28 to the end of October.

Japan To Support ROK Minister for WTO Post

SK0709080494 Seoul YONHAP in English 0717 GMT 7 Sep 94

[Text] Tokyo, Sept. 7 (YONHAP)—Japan plans to support South Korean Trade, Industry and Energy Minister Kim Chol-su in the coming competition for the director-general's post in the World Trade Organization (WTO), which will be set up next year in place of the General Agreement on Tariffs and Trade (GATT).

South Korean lawmaker Kim Yun-hwan, visiting Tokyo to attend a joint meeting of the Korea-Japan and Japan-Korea parliamentarians' unions as head of the Korean delegation, told reporters Wednesday he became convinced that Japan would back Minister Kim in the race for the WTO's chief post during meetings with leaders of the Liberal Democratic and Social Democratic Parties, key members of Japan's ruling coalition.

Kim said Liberal Democratic Party Vice President Keizo Obuchi and chief policymaker Koichi Kato and former Social Democratic Party Chairman Sadao Yamahana had told him they would support South Korea's trade minister as the first WTO director-general.

Japan is reportedly weighing Kim against Mexican President Carlos Salinas, who is the U.S. favorite.

Three to four candidates are vying for the WTO post, including Minister Kim and President Salinas. The race is drawing keen attention because the WTO will have significant influence over the creation of a new world trade order due to the Uruguay Round accord under the GATT.

Share of Korean Products in Japan Market Rises

SK0809034294 Seoul THE KOREA TIMES in English 8 Sep 94 p 8

[Text] The share of Korean products in the Japanese market rose slightly during the first seven months of this year despite the country's soaring trade deficit with Japan, according to the Ministry of Trade, Industry and Energy yesterday.

The rise was attributed largely to brisk exports of such chemical and heavy industry products as machinery parts and industrial materials.

Korean exports to Japan climbed 14.6 percent to 7.16 billion dollars during the January-July period of 1994, taking 4.8 percent of the total Japanese market, according to a ministry spokesman. Korea's market share in Japan was 4.6 percent during the same period last year.

The increase rate of 14.6 percent was higher than Korea's average total export increase rate of 12.8 percent in the seven-month period.

Exports of chemical and heavy industry products to Japan increased 17.1 percent to 4.07 billion dollars while those of light industry goods registered an 8.9 percent rise. Exports of primary industry products rose 12.8 percent during the period.

Electrics and electronics exports surged 46.1 percent while shipments of machinery and transportation equipment jumped 14.6 percent.

The ministry expects exports to Japan to amount to 13.5 billion dollars by the end of this year, up 17 percent from last year's 11.56 billion dollars. In that case, Korea's market share in Japan would rise to 5 percent.

The sharp rise in exports of chemical and heavy industry products to Japan is due not only to the strong yen but to the enhanced competitiveness of Korean goods in the Japanese market which has traditionally been closed to foreign products in the chemical and heavy industries, the spokesman said.

"Prospects for exports to Japan are bright considering the fact that buyers tend to continue buying parts or industrial materials from the same source for a substantial period of time to maintain consistency in technology."

PRC Said To Give More Grain, Oil to DPRK

SK0809041894 Seoul HANGUK ILBO in Korean 8 Sep 94 p 2

[NAEWOE News Agency in Seoul]

[Text] It was learned that the PRC increased economic assistance to the DPRK, such as increases in grain and oil supplies, following Kim Il-song's death. On 6 September, Heilongjiang provincial radio reported that Yi Song-tae, chairman of North Korea's External Economic Committee, visited the PRC in early July to ask Beijing to increase economic assistance to the DPRK, and the PRC agreed that it would increase grain and oil supplies.

PRC Tourists Flee To Seek Higher Wages in Seoul

SK0709112694 Seoul YONHAP in English 1115 GMT 7 Sep 94

[Text] Seoul, Sept. 7 (YONHAP)—Seoul police were Wednesday searching for 14 Chinese tourists who ran away from their hotel in Seoul in the predawn hours last Sunday. A source at the tourist circles said the 14 Chinese entered Korea by a Cathay Pacific Airways Plane Saturday afternoon in a group tour arranged by Tongsan Sight-Seeing Co. All the 14 Chinese, presumably ethnic Koreans, disappeared from the Hotel Victoria they were staying, leaving behind their luggages at their hotel rooms.

Tongsan posted three employees at the hotel to keep an eye on them. But, they somehow shunned the surveillance to run away apparently to obtain jobs at local industries that pay many times more wages than China.

A police source said the latest escapees bring to 204 the total of Chinese tourists who have escaped from their hotels in Korea since Korea allowed Chinese group tours in July last year.

Foreign Ministry To Open Consulate in Qingdao

SK0809023994 Seoul THE KOREA HERALD in English 8 Sep 94 p 2

[Text] A South Korean consular office will open in Qingdao, China Monday [12 September] to take care of Korean citizens and businessmen in the area, the Foreign Ministry said yesterday. The mission, headed by Kim Tae-ho, will be the second Korean consular office in China, following one in Shanghai. Assistant Foreign Minister for Political Affairs Choe Tong-chin will attend a ceremony to open the mission along with Korean Ambassador to Beijing Hwang Pyong-tae.

Firms To Establish Service Networks in PRC

SK0809023594 Seoul THE KOREA TIMES in English 8 Sep 94 p 8

[Text] Automakers and electronics firms are trying to establish extensive after-sales service networks in China to improve their long-term image in the world's largest market, industry sources said yesterday.

Kia Motors Corp. plans to set up nine service centers in Yantai and Qingdao in Shandong Province, Guangzhou City in Guangdong Province, Dalian and Shenyang in Liaoning Province, and Yanji and Changchun in Jilin province by the end of September, according to the sources. Kia established a technology training center in Yanbian in 1992.

The country's second largest carmaker will also open additional service centers in Beijing and Shanghai next year while planning to expand its after-sales service network to the inner parts of China including Wuhan, Hubei Province, and Nanjing, Jiangsu province, in 1996, the sources said.

In addition, Kia plans to set up parts storage centers in several Chinese cities. Kia is considering building training centers for automobile mechanics in China while sending Korean mechanics to that country, according to the sources.

Goldstar Co., which set up after-sales service centers in Beijing and Yanji City, Jilin Province, in September last year and in Shanghai and Guangzhou last May, plans to open service centers in Chengdu City, Sichuan Province, and Shenyang City, Liaoning Province, by year-end, said the sources.

ROK, Romania Ratify Double Taxation Agreement

SK0709021494 Seoul YONHAP in English 0121 GMT 7 Sep 94

[Text] Seoul, Sept. 7 (YONHAP)—South Korea and Romania have completed procedures to put into effect their convention on avoidance of double taxation, the Foreign Ministry said Wednesday.

South Korean Ambassador to Bucharest Pak Chong-sang and Romanian Foreign Minister Marcel Dinu exchanged ratification of the agreement in the Romanian capital Tuesday, and the pact goes into effect Oct. 6, 30 days after the exchange, the ministry said.

The convention was signed on Oct. 11, 1993. It specifies the subjects of taxation and tax rates while laying down preventive measures against being taxed in both the home and host countries.

EU To Remove GSP Status for ROK After 1997

SK0809023794 Seoul YONHAP in English 0144 GMT 8 Sep 94

[Text] Brussels, Sept. 7 (YONHAP)—The European Union's [EU] Executive Commission announced Wednesday [7 September] it has decided to remove the generalized system of preferences (GSP) status of South Korea and other leading developing countries whose per capita income exceeds 6,000 U.S. dollars.

A commission spokesman told a press conference that the adjusted GSP plan, which has set down a basic principle of gradually reducing 1.6 billion dollars worth of GSP benefits, will be applied for three years from 1997.

Relatively well-to-do developing countries will be the first subjected to the adjusted plan, he said.

Some items from developing countries whose per capita income tops 6,000 dollars will be excluded from GSP in early 1997, while goods from nations with less than 6,000 dollars in per capita income are slated for GSP removal from early 1998, according to the spokesman.

The EU will stop applying GSP to South Korean textiles, garments and footwear starting in early 1997.

Mexican electronics, machinery and iron and steel will lose their GSP status from 1997 while garments, wood, rubber and plastic from Malaysia will be excluded from GSP beginning in 1998, according to the spokesman.

Sensitive items which could affect the EU market will be subject to about 80 percent of the tariffs applied under most favored nation (MFN) status while nonsensitive items face 40 percent. Instead, the EU will remove the import quota and highest limit of importation of EU countries.

Underdeveloped countries and nations working to combat drugs will secure better export conditions than other developing countries, while those nations which abuse the GSP system as well as those with human rights problems will no longer receive GSP benefits, the spokesman said.

Kia Motors To Join German Firm on Auto Parts

SK0809034094 Seoul THE KOREA HERALD in English 8 Sep 94 p 8

[Text] Kia Motors Corp. said yesterday that it will establish a joint-venture company with Robert Bosch GmbH of Germany this month for the production of electronic auto parts.

The company, Automotive System Technology & Electronics Corp., will produce electronic control units for gasoline engines, and sensors and actuators, which will help reduce exhaust gas and enhance safety and comfort.

Kia Motors Corp. will hold a 55 percent stake in the joint-venture company with 6 billion won in paid-in capital while Bosch will hold 40 percent. The balance will be held by Kia Electronic System Corp.

The joint-venture company's plant, whose construction will start in Taejon at the end of this year, will begin to produce electronic control units, sensors and actuators in 1996, in time to meet U.S. regulations on auto exhaust emissions, the company said.

Production will expand to such safety features as air bags, antilocking brakes, automatic transmissions and electronic control units for diesel engines.

Robert Bosch is contracted to transfer advanced technology to the joint-venture, Kia said.

A projected 50 billion won will be invested to expand production and another 15 billion won in research and development projects.

Kia Motors Corp. said it will be able to rely on its subsidiaries for the supply of almost all of its needs for electronic parts when production goes into full swing.

Last November, Kia established Kia Electronic System Corp. to produce car audio systems, wires and electronic control systems for bodies and chassis.

Kim Yong-sam Discusses Agricultural Difficulties

SK0809021994 Seoul THE KOREA TIMES in English 8 Sep 94 p 2

[Text] Chongju—President Kim Yong-sam yesterday called upon the nation's farmers, fishermen and relevant officials to exert efforts to help agriculture and fisheries industries overcome difficulties caused by opening of the domestic market to foreign products.

"Next year will become an important turning point for the nation's agriculture as the World Trade Organization regime will bring about boundless competition," Kim told participants at a meeting held to discuss the development strategy for the agriculture sector, at the provincial government office building here.

He presided over the meeting and heard reports about the progress of agricultural reform undertaken by the province and discussed ways to revitalize the rural economy.

The President chaired the conference at this provincial office to show his keen interest in agricultural reform.

Kim also called for efforts by farmers to sharpen the competitiveness of their products, saying, "Farmers will have to put consumers first now."

The Chief Executive also urged provincial governors and county chiefs to devote themselves to agricultural reform, adding, "Success and failure depends on how much efforts you exert and the determination you will show for the development of the agriculture and fisheries sectors."

The meeting was attended by some 160 farmers, officials responsible for agricultural policy at all provincial offices and representatives from agricultural, fisheries and livestock cooperative associations.

Prior to the policy discussion, President Kim asked participants, including Kim Sang-mun, director general for agricultural affairs at the Kyongsang-namdo provincial office, about their thoughts on what are the most effective ways to push agricultural reform, the role of agriculture colleges and the determination of county chiefs and the role of the central government in helping farmers.

Assembly To Debate Security, Budget, GATT

SK0809031294 Seoul THE KOREA HERALD in English 8 Sep 94 pp 2, 3

[By staff reporter Song Chung-tae]

[Text] The regular National Assembly session has traditionally been a venue for verbal warfare between the ruling and opposition parties over pending issues.

The upcoming 100-day regular Assembly session is also expected to witness a fierce battle between the government and its ruling Democratic Liberal Party (DLP), and opposition parties including the main opposition Democratic Party (DP) over a series of issues including "security-oriented" rule, ratification of the Uruguay Round trade pact and next year's national budget bill.

The regular Assembly session, slated to open Saturday [10 September], is sure to see temperatures rising between the ruling and opposition parties over security-oriented rule or taking advantage of a sense of political crisis created under the name of protecting the democratic regime.

The debate over security-oriented rule, political analysts observe, will lead to a tug of war over whether or not the National Security Law should be revised or abolished.

Rep. Sin Ki-ha, floor leader of the main opposition Democratic Party (DP) said, "We will deal with this problem as a major issue at the coming Assembly session."

The DLP and the DP had already fought over the issue in past meetings of the related standing committees of the Assembly.

Such debates hit a peak after Sogang University President Pak Hong alleged in July that North Korean de facto leader Kim Chong-il controlled "chusapa" student activists, and further alleging that about 750 chusapa people have been active in an opposition party.

The DP insisted that the prosecution has helped the government use the chusapa dispute as a tool for security-orientated rule, allowing the dispute to be intentionally expanded, for about a month and thus helping confuse society.

The DP stressed a need to revise or abolish the National Security Law, saying that it is an evil law made and enforced by past authoritarian regimes led by generals-turned-presidents.

However, the DLP replied, "It is absurd for the DP to attack strong measures by the prosecution to root out chusapa. It was a fair execution of law."

Rep. Yi Han-tong, floor leader of the DLP, said, "Given that North Korea still has ambitions to communize the Korean Pen??sula, the National Security Law should remain intact."

The ruling and opposition parties are expected to engage in a fierce quarrel over the Assembly's ratification of the world trade agreement's Uruguay Round [UR].

The DLP earlier decided to pass the UR accord during this regular session, while the DP maintained its stance that it will block the National Assembly's approval for the world trade pact.

Rep. Kim Chong-pil, chairman of the DLP, said, "Despite the opposition of the DP, we will pass the UR accord at this regular session."

The DLP's position on the approval of the global trade pact reflects the will of President Kim Yong-sam, who currently heads the DLP. Late last month, President Kim instructed the DLP to pass the pact during this regular session.

President Kim said, "South Korea must join the World Trade Organization (WTO) in order to survive as a member of the international community. So, the UR accord should be ratified at this regular Assembly session." The WTO is a new body on global trade to be launched from next year as a result of UR negotiations.

The DP, however, takes the position that it will keep the UR accord from being ratified at any cost.

Rep. Yi Ki-taek, leader of the DP, urged over and over again that the government renegotiate the content of the multilateral trade agreement.

He criticized that the government made more tariff concessions to U.S. imports, through behind-the-scene deals between the two countries.

"The Kim Yong-sam government has given up its willingness to protect the nation's agricultural industry from foreign goods," Yi alleged.

Another battle will take place over next year's budget bill.

The DP maintain that they will oppose the government plan that next year's budget balance is kept in the black.

Sin of the DP said, "It is desirable for the government to invest in infrastructure rather than to repay the national debt with a budget surplus. We will check closely where the national budget will be spent."

Late last month President Kim instructed the cabinet and the DLP to keep next year's budget balance in the black so that the government can use the surplus in repaying national debts.

DLP Lawmakers Disagree Over Rezoning Districts

SK0809022194 Seoul THE KOREA HERALD in English 8 Sep 94 p 2

[Text] Lawmakers of the ruling Democratic Liberal Party (DLP) are engaged in a full-blown row over how to rezone administrative districts.

The pilot plan, proposed by the Home Ministry last week, has triggered a divide among DLP lawmakers and the party has failed to formulate its position on the sensitive issue.

Highlights of the controversial plan are the expansion of Pusan, Taegu and Inchon by merging areas bordering them and the consolidation of Ulsan County with the adjacent city of Ulsan, South Kyongsang Province, into a large province-level (jikhal) city, like Pusan and Taegu.

During a meeting of the party's Central Executive Council yesterday, anger with the rezoning scheme erupted among party lawmakers representing the province.

Rep. Chong Sun-tok contended that the ministry's plan was mapped out without consulting lawmakers, including prior notice to residents who will be affected by the scheme.

He also expressed strong opposition to the plan to make Ulsan a jikhal city, saying that the province will most certainly suffer financial losses if the city becomes a self-governing body as a result of the integration.

"The ministry's plan must be reconsidered," Chong was quoted as saying.

The ministry has decided to integrate Ulsan County into Ulsan City to develop the industrial port as the center of the nation's southeastern economic area, playing a leading role in the Pacific-rim economy.

The lawmaker also accused the ministry of having mapped out the plan without any principles, citing the reported reversal of its decision to divide Kyonggi Province.

Rep. Kim Chong-ha argued that a decision to integrate Changwon, Masan and Chinhae cities into a jikhal city should have been made prior to the consolidation of Ulsan, saying that the combined number of residents in the three cities amounts to one million. Whereas, the population in Ulsan City and Ulsan County reaches some 760,000 and 160,000, respectively.

Saying that residents in South Kyongsang Province are vehemently opposed to the Ulsan plan, he insisted that the ministry's scheme runs counter to the spirit of the local autonomy system.

Rep. Kim Pong-cho, chairman of the party's South Kyongsang provincial chapter, cast doubts on the necessity of the integration of Ulsan, pointing out that a huge portion of the budget will have to be spent to implement the plan.

But Rep. Kim Chong-ho, elected from Koesan in North Chungchong Province, stressed the need for the rezoning of administrative districts.

"The plan to boost the growth of Ulsan as a province-level city should be carried out because it is a campaign pledge made by President Kim Yong-sam during the presidential election in 1992," he said.

Rep. Kim Yong-tae said the government should push for the plan before the elections to choose administration chiefs and councilors slated for next year.

As the ministry's plan has caused criticism from some DLP lawmakers, the DLP decided to gauge the opinions of residents who will be affected by the rezoning plan and to hold a public hearing.

The final plan to rezone administrative districts is expected to surface after a consultative meeting between the government and the DLP which is to be held within this week, a party official said.

Police Arrest Head of 'Anti-U.S. Youth Society'

SK0609142294 Seoul KYONGHYANG SINMUN in Korean 6 Sep 94 p 23

[Text] On 5 September, the Security Department of the National Police Agency arrested Cho Hyok (32, expelled from senior grade, Korea University Russian literature department) on the charge of violating the National Security Law. According to police, Cho Hyok formed the "Anti-U.S. Youth Society," which assumes the chuche idea as its guiding ideology, and received funds from the "Vanguard for National Salvation"—an organization benefiting the enemy—to use for his activities as chairman of this organization.

The police said that Cho Hyok formed the "Anti-U.S. Youth Society," which assumes Kim Il-song's chuche idea as its guiding ideal, with 50 other college students, in the Chongno Cathedral in Chongno-Ku, Seoul, in mid-January 1988. He carried out activities as chairman of the Society and the Committee for Pannational Ideological Movement—an organization benefiting the enemy—as well as president of Korea University Committee for Patriotic Youth Association. He has been wanted by the police since then.

Abolition of Foreign Currency Control Urged

SK0809082794 Seoul YONHAP in English 0739 GMT 8 Sep 94

[Text] Seoul, Sept. 8 (YONHAP)—Individuals and firms should be able to possess foreign currency without having to register their holdings and invest in overseas real estate from next year.

The 5,000-U.S.-dollar limit for travelers should be phased out gradually and immigrants allowed to take more money with them. Private companies should also be free to seek listing on foreign stock markets. By the year 2000, the foreign exchange control law should be scrapped altogether.

These were the recommendations made by the financial development deliberation committee Thursday afternoon at a public hearing attended by figures from the financial market, research institutions, schools, the judiciary, mass media and corporations.

The committee presented a three-phase revision to the country's foreign currency management system over five years beginning next year—the first one set for 1995, the second phase for 1996-1997, and the third for 1998-1999.

The foreign currency holdings of travelers and students enrolled abroad would be restricted in terms of the total, but instead of registering the amount, banks would only need to certify it. Between 1998 and 1999, the restrictions posed by the reporting system should be scrapped entirely, the committee suggested.

Immigrants should only report rather than acquire a bank certificate for their foreign exchange holdings, the committee said, and the current registration system for individuals and corporations possessing over 50,000 dollars should be abolished from next year.

The committee urged an early revision of the foreign exchange control law for ultimate repeal in the year 2000.

Government Announces Industrial Development Plan

SK0609072094 Seoul YONHAP in English 0641 GMT 6 Sep 94

[Text] Seoul, Sept. 6 (YONHAP)—The government will develop an area covering 46.2 million square meters along Asan Bay on the west coast into a huge seaside industrial-urban complex costing 15 trillion won (18.7 billion U.S. dollars) by 2011 as the initial project of a plan to develop seven industrial-urban areas.

Under the Asan Bay development program announced by Construction Minister Kim U-sok Tuesday, a harbor capable of handling 24.5 million tons of freight a year, matching the present capacity of Inchon harbor, will be constructed at a cost of 831.6 billion won.

An urban center with a population of 700,000 will also be built, along with a land cargo collection and distribution center on a 2.6-million-square-meter site and a railway extending the Inchon-Suwon line to Asan harbor via Anjung.

Minister Kim said the Asan bay development program would be carried out in coordination with related infrastructure work such as the west coast freeway and Seoul-Pusan high-speed railway construction programs.

The seaside industrial complex will house wood, grain, steel and automobile industries, as well as small and medium-sized parts industries.

In the nearby Chonan and Sosan areas, semiconductor, electronics, machinery, transport equipment, machinery parts, fine chemistry and railway-related industries will be developed.

An international tourism town will be developed on Anmyon island off Asan.

The urban center will have one university, four two-year technical colleges and four vocational training institutes, Minister Kim said.

Leading Trade Firms Increase Imports Over Exports

SK0809022394 Seoul THE KOREA TIMES in English 8 Sep 94 p 8

[Text] Seven leading trading firms run by business conglomerates have been bent on importing rather than exporting this year, fomenting a conspicuous consumption binge. The seven firms are Hyundai Corp., Daewoo Corp., Lucky-Goldstar International Inc., Sunkyong Corp., Ssangyong Corp. and Hyosung Corp.

Imports by the seven firms totaled $8,009 million during the first seven months of the year, up 20.5 percent from the year before, according to the Korea Foreign Trade Association.

The growth rate is 5.7 percentage points higher than the average of the nation's total imports and 4.2 percentage points higher than export growth during the same period.

By company, Ssangyong marked a whopping 118.7 percent growth to $433 million in imports, Daewoo 26.5 percent to $1,410 million, Hyundai 22.6 percent to $2,678 million and Samsung 14.9 percent to $2,746 million.

Institute Ranks ROK 24th in Competitiveness

SK0709082194 Seoul YONHAP in English 0805 GMT 7 Sep 94

[Text] Seoul, Sept. 7 (YONHAP)—South Korea ranks seventh among 18 developing countries in terms of international competitiveness and 24th among 41 states, including 23 advanced nations belonging to the Organization for Economic Cooperation and Development (OECD), according to a report issued recently by a private economic institute in Switzerland.

The report on global competitiveness by the International Institute for Management Development (IMD) said South Korea placed third in 1991 among developing countries, then fell to fifth in 1992 and sixth in 1993.

Of the 41 countries, the South Korean Government was rated No. 1 as far as taking the most protective trade steps while emerging as the biggest meddler in the private sector's investment plans, the report disclosed.

South Korea also ranked at the bottom in terms of self-regulated financing.

As for internationalization and financing, the country came in 39th followed only by Venezuela and Poland, while Singapore ranked second, Hong Kong third and Taiwan 17th, according to the report.

The country placed 31st in terms of business management, 30th in the government section and 29th in social infrastructure.

The report said South Korea, however, had a slightly better record in international competitiveness in the fields of science and technology (18th) and human resources (20th).

The country took second place after Japan as far as intensity of racial discrimination against foreigners and government interference in private sector activities, according to the report.

South Korea placed third in the degree to which the finance sector hinders industrial development and fourth in the extent to which bureaucracy stands in the way of private business activities.

In terms of the frequency of bribery and other wrongdoings in officialdom, the country took 11th place, while for opaqueness of government policies it ranked ninth.

Meanwhile, the report said South Korean workers spent 2,547 hours at their workplaces per year, the most among the 41 countries surveyed.

The report put the United States at No. 1 in terms of international competitiveness, nine years after the Americans gave way to Japan in 1985.

Singapore took second place in overall competitiveness and Japan came third. Fourth place went to Hong Kong, fifth to Germany and sixth to Switzerland.

The IMD, a private nonprofit research institute headquartered in Lausanne, Switzerland, has published rankings on major countries' international competitiveness since 1980. The institute rates 831 items in eight major categories including each country's economic power, internationalization, government, finance, infrastructure, business management, science and technology, and human resources to evaluate each nation's comprehensive global competitiveness with the aid of statistical models.

Further on Labor Dispute at Hyundai Shipyard

SK0709063094 Seoul YONHAP in English 0600 GMT 7 Sep 94

[Text] Ulsan, South Korea, Sept. 7 (YONHAP)—Hyundai Heavy Industries Co., currently involved in a rekindled labor dispute, will likely return to normalcy by Chusok (full moon festival) on Sept. 20 as the union leadership instructed 196 deputies of divisional chapters to stop their walkout and report to work Wednesday.

The two-month labor dispute at the nation's largest shipyard was reignited late last week when the union refused to sign a labor-management accord reached earlier and demanded the replenishment of bonuses reduced over the strike period.

In an effort to push through their demands, union chairman Yi Kap-yong entered the second day of a hunger strike Wednesday and members of the executive council are poised to stage an all-night sit-in.

In addition to bonus replenishment, the union is demanding the granting of special leave and the withdrawal of legal complaints filed against union leaders. If no compromise is reached before Chusok, the union has threatened to resort to a stronger means of struggle.

The one-day walkout came to an end as the union feared more serious issues might develop. Such restraint on the part of the union has given rise to hopes for an early settlement of the rekindled dispute.

More than 95 percent of the shipyard's 24,000 employees reported to work Wednesday and are engaged in normal operations.

In the meantime, over 2,000 unionists have bolted in protest against "undemocratic practices" by hard-line union leaders. The figure is expected to climb to 4,000 or 5,000, company officials said.

Goldstar Develops PAL-plus Compatible VCR

SK0809034794 Seoul THE KOREA TIMES in English 8 Sep 94 p 8

[Text] Goldstar has developed a VCR (video cassette recorder) applicable for the PALplus TV broadcasting system which will be used in Europe from 1995, replacing the present PAL system. The PALplus VCR, which Goldstar said is the first of its kind ever introduced in Korea, was developed at a cost of $1 billion won, according to a company spokesman.

The spokesman said that the new VCR, which can also be used for the PAL system, generates high definition pictures and quality sound thanks to the installation of a super VHS system. The PALplus TV broadcasting system is characterized by the projection of pictures on a wide screen with dimensions of 16:9. The system was originally developed by the PALplus Working Group which comprises Sony, JVC and Sharp of Japan, Philips of the Netherlands and Thomson of France, the spokesman said.

Burma

Khun Sa's 1992 Plutonium Purchase Revealed

[Editorial Report] The 18 August SISA JOURNAL published in Seoul reported on page 47 that "Khun Sa has had plutonium since 1992." This information was obtained from Mun Chung-il, a Korean-Chinese, who taught Chinese to Khun Sa's personnel since 1989. In August 1992, Mun translated a "commercial note" for the Mong Tai Army area commander. Mun claimed that the "commercial note" contained information about plutonium. The commander told Mun that the "commercial note" came from a container holding an expensive secret weapon that cost 500,000 Chinese yuan [approximately $60,000], and he was told to keep the information secret. According to Mun, the plutonium was later moved to Ho Mong.

In 1989, Mun Chung-il and his family escaped from China to Burma where they lived until February 1994, when they again escaped to Bangkok. The 17 February SISA JOURNAL first revealed that Mun and his family were working for Khun Sa. After that story was published, the Muns were accused of "leaking Khun Sa's secrets," and fled for their lives. According to the 17 March SISA JOURNAL, the Muns hid in Bangkok hoping to find a way to immigrate to the ROK.

According to the 13 August KYONGHYANG SINMUN on page 21, the U.N. High Commissioner for Refugees, the ROK government, and ROK citizens helped the Muns immigrate to Seoul where they arrived on 12 August. Mun told Seoul reporters that he had made notes about Khun Sa's activities, and added that he often saw North Koreans in the area dealing in drugs and that he also observed a Korean-American named Kim there making drug deals.

Aung San Suu Kyi Said To Soften Stance on Rulers

OW0709151794 Tokyo KYODO in English 1127 GMT 7 Sep 94

[Text] Yangon [Rangoon], Sept. 7 KYODO—Detained opposition leader Aung San Suu Kyi has softened her stance against Myanmar's [Burma's] ruling military junta, suggesting she will abandon political party activities once she is released, informed sources said Wednesday [7 September].

Suu Kyi also hinted she will not deny the ruling State Law and Order Restoration Council (SLORC), which put her under more than five years of house arrest, and that she wants to deal with problems of minority races as a peace activist in the future.

The Nobel Peace Prize winner revealed her intentions in a meeting with Burmese Buddhist missionary Monk Rev. U Revata Dhamma in early August in Yangon, the sources said.

The Buddhist monk, who visited Myanmar from England where he is living now, then conveyed her ideas to senior SLORC officials. But Myanmar's ruling junta was in an apparent loss on how to react to her sudden change of heart and intends to probe her intentions through talks with her starting by the year-end, the sources said.

The talks are scheduled to start by late December, Kyaw Win, deputy director of the Defense Ministry's Intelligence Bureau, said at a press conference Sept. 2.

Abbot Views Planned SLORC-Aung San Suu Kyi Talks

BK0609070194 London BBC in Burmese to Burma 1345 GMT 5 Sep 94

[Telephone Interview with Buddhist Abbot U Yewata Dhamma and Reporter U Ne Win; date not given; from the "Current International Affairs" program—recorded]

[Text] [Ne Win] The Venerable U Yewata Dhamma, in a recent BBC interview, you implied that talks would be held soon between the SLORC [State Law and Order Restoration Council] and the opposition leader, Daw Aung San Suu Kyi. Colonel Kyaw Win, deputy director of the Directorate of the Defense Services Intelligence, has disclosed that the talks between the SLORC and Daw Aung San Suu Kyi would be held before the end of this year and that the leader of the SLORC, Senior General Than Shwe would (?lead) the talks. What are your comments are on this matter?

[Yewata Dhamma] I met with Daw Aung San Suu Kyi and Sr. Gen. Than Shwe, Lieutenant General Khin Nyunt, and Col. Kyaw Win in early August. During the meeting Daw Aung San Suu Kyi expressed her desire to discuss the country's situation with Sr. Gen. Than Shwe, and she said that if Sr. Gen. Than Shwe is not free or if circumstances do not permit, she would be willing to hold a dialogue with any person assigned by him. I conveyed this message to the generals and urged them to attend to this matter as soon as possible. The generals said they would indeed consider this matter.

[Ne Win] It is said that Sr. Gen. Than Shwe would participate in the talks; however, if he were unable to do so the deputy leader would hold talks. We would like to know if the phrase deputy leader refers to Lt. Gen. Khin Nyunt.

[Yewata Dhamma] No, she did not say leader, but said she would hold talks with any person appointed by Sr. Gen. Than Shwe—Lt. Gen. Khin Nyunt or any other person.

[Ne Win] Do you, Reverend Abbot, believe that the talks will resolve the country's political problems or not?

[Yewata Dhamma] As a monk, I listened to what they have to say, and I believe that the country's problems will be resolved if they achieve understanding among them. Therefore, I urged the generals, who claim to be working for the progress of the country, to try to achieve mutual understanding and work for the progress of the country. They pledged to do so.

[Ne Win] What is the attitude of the SLORC and Daw Aung San Suu Kyi toward each other? Can you please elaborate?

[Yewata Dhamma] Each side has its own attitude, but when I spoke to them they said they have no reason not to hold talks. They all want to work in the interests of the nation. They seem to have mutual understanding, and I urged them to hold talks. Both Daw Aung San Suu Kyi and the generals said if the talks are not successful in the first round, they would hold a second, a third round, and so on until they are successful. It is Aung San Suu Kyi's desire that if the talks are not successful an announcement does not have to be made and that an announcement would be made only after successful talks.

[Ne Win] According to a news agency report, it was said that Daw Aung San Suu Kyi is willing to hold talks with the SLORC under any conditions other than asking her to leave Burma. Can you comment on this?

[Yewata Dhamma] That is correct. She said she cannot leave the country—not even for five minutes. She said she would hold talks to achieve unity in the interests of the country.

[Ne Win] The agency report quoted Col. Kyaw Win as saying that during her meeting with you she said the country's political problems should be resolved by consultations among the Burmese people without foreign intervention. Is this true?

[Yewata Dhamma] It is true. During the meeting with me she said everything went well, as she could discuss Burmese affairs in Burmese, which I understand well. She said the foreigners do not understand all aspects very well and that she could not and should not open her heart to them. She said it is best to discuss solutions to our problems among ourselves.

Anglican Bishop on SLORC-Karen Talks Prospects

BK0709045394 London BBC in Burmese to Burma 1345 GMT 6 Sep 94

[Telephone interview with Archbishop Andrew U Mya Han, head of the Anglican Church in Rangoon, by the BBC's U Ne Win on 6 September—recorded]

[Text] [Ne Win] Archbishop Andrew U Mya Han, a REUTER dispatch from yesterday reported that the KNU [Karen National Union] welcomed Archbishop Andrew U Mya Han, an emissary of the Burmese Government, but the KNU is still insisting on holding the negotiations before the presence of an independent observer outside Burma. What we know is that the SLORC government believes that the negotiations should not be held outside Burma. There appears to be an impasse in the peace negotiation situation. As a mediator, what is your view of the situation and its prospects, Archbishop Andrew U Mya Han?

[Mya Han] In response to your question, Ko Ne Win, the KNU warmly welcomed me and this side [the SLORC] appears to rely on me. As to the matter you raised about the talks being held inside or outside, it was their initial policy. However, from what I can observe and analyze at present, the two sides are prepared to explore for peace as much as possible and deal with each other with sincerity. I believe that the issue of talks being held inside or outside the country will be resolved soon and I can see much prospects.

[Ne Win] Archbishop, by this do you mean the prospects for peace between the KNU and SLORC are good?

[Mya Han] Yes. That is right. Based on the facts I can see, I firmly believe the prospects are good. From what I observe, there is no impasse in the peace talks.

[Ne Win] When do you expect to again act as a mediator in the negotiations, Archbishop?

[Mya Han] I hope to continue to work for both sides soon—in a week's time.

Delegate Groups Hold Coordination Meetings

BK0609014394 Rangoon Radio Myanmar in Burmese 1300 GMT 5 Sep 94

[Text] The coordination meetings of the Panels of Chairmen of the national convention delegate groups representing the workers, political parties, elected representatives, and national races; and coordination meetings of the delegate groups representing the public service personnel and other special invitees were held at the designated meeting halls in Kyaikkasan Grounds in Yangon [Rangoon] in the morning and in the afternoon today.

At the coordination meetings of members of the Panels of Chairmen and the delegate groups, the procedures for discussions on prescription of self-administered division or self-administered region, and legislature, executive branch, and judiciary chapters—which are to be included in drawing up a constitution—for group discussions were discussed and coordinated.

Member of the Panel of Chairmen of the delegate group representing the workers held their coordination meeting at the Meeting Hall No.6 at 1000 today. The members of the Panel of Chairmen—U San Tin from West Bassein Township, Irrawaddy Division; U Shwe Than from Dala Township, Yangon Division; U Tin U from Meiktila Township, Mandalay Division; U Bo Myint from Monywa Township, Sagaing Division; U Soe Maung from Chauk Township, Magwe Division—attended the meeting. The coordination meeting decided to hold a group discussion of the delegate group representing the workers at 1000 on 6 September. The meeting ended at 1030.

Member of the Panel of Chairmen of the delegate group representing the political parties held their coordination meeting at the Meeting Hall No.5 at 1000 today. The members of the Panel of Chairmen—U Thazan Hla of the National League for Democracy; Daw May Than Lwin of the Shan Nationalities League for Democracy; U Tun Yin Law of the National Unity Party; U Li Kwan Chin of the Shan State Kokang Democratic Party; and U Saw Philip alias U Philip San of the Wa National Development Party—attended the meeting. The coordination meeting decided to hold a group discussion of the delegate group representing the political parties at 1000 on 9 September. The meeting ended at 1045.

Member of the Panel of Chairmen of the delegate group representing the elected representatives held their coordination meeting at the Meeting Hall No.4 at 1000 today. The members of the Panel of Chairmen—U Mahn Tin Aung Than of Union Kayin League; U San Tha Aung of the Mro or Khami National Solidarity Organization; U James Bond of the Kokang Democracy and Unity Party; and U Maung Gyi of the Union Pa-o National Organization—attended the meeting. The coordination meeting decided to hold a group discussion of the delegate group representing the elected representatives at 1000 on 8 September. The meeting ended at 1010.

Member of the Panel of Chairmen of the delegate group representing the national races held their coordination meeting at the Meeting Hall No.1 at 1000 today. The members of the Panel of Chairmen—U Kyi Nyunt from Yangon Division, U Khin Maung Si from Irrawaddy Division, U Mya Sein from Mandalay Division, U Mahn Ohn Maung from Karen State, U Naing San Shein from Mon State—attended the meeting. The coordination meeting decided to hold a group discussion of the delegate group representing the national races at 1000 on 7 September. The meeting ended at 1105.

The delegate group representing the public service personnel held its coordination meeting at the Meeting Hall No.8 at 1300 today. Colonel Thaik Tun from the Ministry of Defense chaired the meeting and U Hla Win acted as secretary of the meeting. First, the chairman of the meeting delivered an opening speech. Next, the procedures for preparing a proposal were discussed coordinated. After that, the chairman gave a closing speech. The meeting ended at 1330.

The delegate group representing the other special invitees held its coordination meeting at the Meeting Hall No.2 at 1000 today. U Wan Tin, a retired commissioner, chaired the meeting and U Soe Lwin acted as secretary of the meeting. First, the chairman of the meeting delivered an opening speech. Next, the agenda of the meeting was discussed and coordinated. After that, the chairman gave a closing speech. The meeting ended 1030.

The convention delegates of the groups representing the peasants, and intellectuals and technocrats are still studying [the explanations delivered at the National Convention Plenary Session by U Aung Toe, chairman of the National Convention Convening Work Committee, on 2 September.]

Brunei, Malaysia & Singapore

Malaysia

Mahathir, Goh Chok Tong Seek Stronger Ties

BK0809031394 Singapore THE STRAITS TIMES in English 7 Sep 94 p 1

[Article by Zuraidah Ibrahim in Langkawi]

[Text] The prime ministers of Singapore and Malaysia yesterday explored ways to encourage the private sectors of both sides to go into joint ventures in third countries.

Mr. Goh Chok Tong said that the subject was discussed during his four-eyes [private] meeting with his counterpart, Datuk Sri Dr. Mahathir Mohamed which lasted almost two hours at the Berjaya Beach Resort.

At a separate meeting between the Singapore and Malaysian ministers accompanying their leaders on the visit, both sides also agreed to improve the mechanisms to explain impending policy changes in their respective countries that might have an impact on either side. This would avoid misunderstandings, they said.

Both Mr. Goh and the ministers emerged from their meetings in a positive mood declaring that the good, comfortable relations looked set to continue and improve into the future.

But the ministers also felt that continuing linkages must be nurtured by the younger generation leaders, both at the ministerial and official levels.

Giving reporters a summary of his meeting with Dr. Mahathir, Mr. Goh said that he was very happy with the wide-ranging discussion which went "very well".

On the regional front, he said that they discussed the East Asia Economic Caucus and the coming Asia-Pacific Economic Cooperation forum meeting in Jakarta. He was also briefed on the Malaysian- based religious group, Al-Arqam.

He said among the bilateral issues raised were the disputed ownership of Pedra Branca and the use of Malayan Railway land in Singapore. He did not elaborate, but said he would have a fuller press conference today.

Turning to economic cooperation, he said: "We thought that it would be a good idea tot our two private sectors to explore how they can invest jointly in third countries."

The idea of such joint ventures was first mooted in a finance ministers' meeting in June, where it was agreed that both countries would start to do so first through their government holding companies, Temasek Holdings for Singapore and Khazanah Holdings for Malaysia.

Economic cooperation was also raised during the ministerial meeting yesterday.

At a joint press conference, Singapore Foreign Affairs Minister S. Jayakumar and his Malaysian counterpart Datuk Abdullah Ahmad Badawi welcomed the move as a sign of deepening ties.

Said Professor Jayakumar: "It gives a new dimension, in my view, to Singapore-Malaysia relations and cooperation."

On their 1 1/2-hour meeting the ministers said that it had been a fruitful discussion in which they explored ways to enhance their friendship and cooperation.

Said Datuk Badawi: "We believe that it is necessary to explain some of the policies we would like to introduce especially if such policies could create misunderstanding or wrong perceptions."

Sometimes, misunderstandings could lead to feelings that a policy was anti-Singapore or anti-Malaysia, he said, for example, the 1992 tightening of Singapore rules for Malaysian-registered vehicles.

In the same vein, Prof. Jayakumar said: "We recognise the need for finding the ways and means to do this, such as ministers keeping their counterparts informed of impending changes in policies which may have an impact on the other side. In that way, the potential for misunderstanding and distortion is averted."

He said it was inevitable that from time to time there would be little irritations. But what was important was that there were processes, such as regular meetings and the foundations of friendship, in place to help solve problems when they surfaced. This nurturing of ties was an ongoing process which must continue with each new generation of leaders.

The two ministers were also asked about Pedra Branca, an island which Singapore has administered for over 150 years and which Malaysia claims it owns.

They said that documents had been exchanged and senior officials had met several times. There was no time frame fixed to resolve the issue, said Datuk Badawi.

Asked about the Malayan Railway land in Singapore, they said they had not discussed it though their two prime ministers had done so.

The land is supposed to revert to Singapore once it is not used for railway purposes. There is an agreement for joint redevelopment. But it is understood that there may be some sticking points in it.

To cap the meetings, Mr. Goh and his delegation were hosted to dinner by Dr. Mahathir. The Singapore team leaves for home this evening.

Commentary Criticizes Population Forum in Cairo

BK0609132494 Kuala Lumpur Voice of Malaysia in English 0810 GMT 6 Sep 94

[Station commentary]

[Text] Malaysia will oppose the passing of any international document which encourages western permissiveness in a society. Any resolution couched in the vague language on freedom, health, women's right, and quality of life is not acceptable to Malaysia.

Western solution to moral and family decay should not be brought upon third world nations. This official stand of the government was expressed by the Malaysian delegates to the International Conference of Parliamentarians on Population and Development, which ended in Cairo over the weekend.

About 250 parliamentarians from 60 countries attended the meeting preceding the nine-day United Nations International Conference on Population and Development, ICPD, currently being held in the Egyptian capital, Cairo.

Malaysia has made it clear that transferring the solution of western moral and family decay to third world countries would bring additional problems. Malaysia's non-compromising stand comes in the wake of widespread opposition to the UN-sponsored population conference by developing countries, which see it as an attempt by the West to impose its will on poorer countries.

Developing nations feel the conference is clearly a ploy by the West to force its values on freedom without moral and religious constraints. The world attention has been focussed on the population conference which many observers feel will bring a backlash from religious countries and groups who angrily attack the forum as an attempt to promote abortion. Those opposing the attempt by the West charge that the draft proposals for the conference will allow adolescents to obtain abortion without their parents' permission. They say that no western country has a law like that, yet they want to offer it to others. Iraq, Saudi Arabia, Lebanon, and Sudan have boycotted the conference. Turkish Prime Minister Tansu Ciller and Bangladeshi counterpart Khaleda Zia and Indonesia's President Suharto have dropped plans to attend.

Delegates from around 150 countries who are attending the conference will debate a 113-page program of action, which includes controversial references to seek abortion, treatment for complications in abortion, and to broadly define sexual and reproductive facts. Besides condoning abortion, religious conservatives charge the draft also supports homosexuality and sex outside marriage. Some North American Islamic groups have also urged a

Muslim boycott of the conference. They say the meeting would only result in an anti-Islamic pronouncement. Conference organizers have defended the forum. They are of the view that, contrary to what others want the delegates to believe, the draft program of action does not advocate nor promote abortion, let alone abortion on demand. What [words indistinct] is that all parties concerned deal openly and forthrightly with abortion as a major public health concern agreement.

According to conference director, Nafis Sadik, the proposal seeks to discuss birth rate partly by giving women greater economic and educational opportunities so that having babies is not the only joy in love. Statistics head of the UN Population Fund has warned that unless checked, the world population at current rate would grow from around 5.6 billion this year to almost 10 billion around the year 2050.

Well, this is indeed alarming. It does not, however, give anyone the right to impose their will on others and force others to conform to the concept of moral and family decay. No one has the right to weaken man's capacity for love. No child should be unwanted, unloved, or killed and thrown away. This is tantamount to murder.

Editorial Urges Japan To 'Atone' for War 'Sins'

BK0809094394 Kuala Lumpur BERITA HARIAN in Malay 3 Sep 94 p X1

[Editorial: "The EAEC: An Opportunity for Japan to Prove Its Honesty"]

[Text] Four years have passed since Prime Minister Datuk Sri Dr. Mahathir Mohamed articulated an idea for the establishment of the East Asian Economic Caucus [EAEC]. However, the idea has yet to become a reality, because the region's economic powers, particularly Japan, hesitate to make a commitment. A consensus among Malaysia, Indonesia, Singapore, the Philippines, Thailand, and Brunei on the need to establish the economic consultative forum for East Asian common prosperity and China's willingness to attend the forum are definitely insufficient without the participation of Japan, a world economic giant from Asia. For us, Japan's participation would certainly have a good effect on the forum because of its position in the international economic and trade arena. The reluctance of Japan as the Asian leader to pronounce its stand on the EAEC has certainly disappointed us, because this stand has been used by opponents of the idea, particularly the United States to constantly prevent it from becoming a reality.

Thus, we hope that the current visit of Prime Minister Datuk Sri Anwar Ibrahim to Japan could change that country's stand on the proposed EAEC. As Anwar said to Japanese parliamentarians in Tokyo yesterday, Japan's stand, in addition to the U.S. attitude, stands in the way of realizing the caucus.

We believe that four years were more than enough for Malaysia to clarify the matter and convince all sides about the objectives and working mechanism of the EAEC. Ever since the idea was pronounced by Dr. Mahathir, various changes and adjustments have even been made to suit the desires of the nations involved. Moreover, Malaysia has repeatedly given the assurance that the EAEC will not become a trade bloc—something feared by the United States.

We understand that Japan's reluctance to pronounce its stand on the EAEC has been attributed to the United States to a great extent. In fact, it is public knowledge that Japan remains submissive to the United States in decisions related to international political and trade issues, although Japan has been recognized as a world economic giant. The land of the rising sun has not yet fully recovered from the effects of its loss to the United States in the Pacific War.

Former Japanese Prime Minister Yasuhiro Nakasone even told a seminar on Japan and Southeast Asia in the 21st century jointly sponsored by the Institute for International Policy Studies and the Malaysian Institute for Policy Studies yesterday that Japan is still haunted by a bitter experience about the coprosperity concept during World War II. On the one hand, Japan's guilt over the death of millions of Asians at the hands of Japanese soldiers during World War II has brought a positive effect on regional peace and prosperity and probably renounced its desire to expand its influence militarily for a long period.

What has disappointed us is that Japan seems unwilling to atone for the past killings of Asians in a more meaningful way. For us, apologies, remorse, and reparations to a small number of victims of Japanese military atrocities are still insufficient because Japan can do more than that.

In this regard, Anwar's proposal before the seminar yesterday that Japan could atone for its past mistakes by making a greater commitment to building a more fair future for and greater priority in the region should open the eyes of Japan's current leadership. Japan's reluctance to act as a world leader and speaker representing Asia has deeply puzzled Southeast Asian nations, which once became victims of its past expansionist policy.

Japan's wavering stand on the ASEAN initiative to turn the EAEC into a reality has certainly dashed the hope of small Asian nations for Japan's protection and leadership.

We strongly hope that Japan's current government will share Nakasone's views on the need for Japan to again reassess its stand on the EAEC. For us, Japan's sins against Southeast Asian nations will only be redeemed if Japan is ready to adopt a more active role in regional affairs and is able to cooperate in facing various future issues.

Singapore

Further on Visit by Indian Prime Minister

Rao on 'Limitless' Scope for Ties

BK0709163394 Singapore THE STRAITS TIMES in English 7 Sep 94 p 2

[Article by Ravi Velloor]

[Text] Indian Prime Minister P.V. Narasimha Rao sees his visit to Singapore as a continuation of the accelerating pace of interaction between the two nations and says the scope for bilateral ties is "limitless".

In an interview with THE STRAITS TIMES on the eve of his three-day visit to Singapore, he said:

"My forthcoming visit to Singapore is the continuation of a process of close and regular interaction and exchange of views with Singapore, a process whose pace has been accelerated in recent years."

He said that during Prime Minister Goh Chok Tong's visit to India, a number of ideas and proposals was discussed to expand significantly the multi-faceted relations between the two countries.

"The present visit would be an excellent opportunity to review how much progress has been made and to discuss how to proceed from here," he added in written responses to questions submitted in advance.

Mr. Rao arrives here from Hanoi today at the invitation of Mr. Goh.

Tomorrow, the Indian premier will call on President Ong Teng Cheong and will be his guest at lunch.

He will hold talks with Mr. Goh in the morning and attend an official banquet in his honour hosted by the Singapore Prime Minister in the evening.

Senior Minister Lee Kuan Yew and Deputy Prime Minister Brigadier-General (NS) [National Service] Lee Hsien Loong will call on him separately during his stay.

Mr. Lee will also chair the 1994 Singapore Lecture which Mr. Rao will deliver tomorrow on the theme: India and the Pacific: Forging a New relationship.

The 73-year-old Mr. Rao, who took charge of India in June 1991 in the thick of an economic crisis, described bilateral ties as "cordial and cooperative".

He said that Mr. Goh's visit to New Delhi in January as chief guest at India's Republic Day provided further momentum to the relationship, especially in the economic and commercial spheres. He now looked forward to strengthening the positive trends.

Mr. Rao described the scope for Singapore-India cooperation as "limitless, given the backdrop of complementarities between the two economies".

"Even as India's economy is opening up, the external wing to Singapore's economy is showing remarkable effect. In this ambience, there exists the possibility of promoting synergistic linkages that can combine the strengths of both the economies," he said.

On relations with South-east Asia, Mr. Rao said India, now a sectoral dialogue partner of Asean, hoped to become a full dialogue partner soon.

"India believes that its Sectoral Dialogue Partnership with the Asean is only a first step in expanding its relations with the region. We are keen that this grows into full dialogue partnership in a near future."

He spoke of a "newly emerging convergence of interests" between India and South-east Asia and said India's own policy of economic liberalisation had been critical to South-east Asia's new perception of India.

Mr. Rao welcomed the formation of the Asean Regional Forum [ARF] as a "positive development" and signalled clearly India's interest in joining its deliberations.

"As a country neighboring South-east Asia, India is concerned with political security issues in the region.

"Given India's location, commitment to peace and its policies of friendship and cooperation with countries around the world, including South-east Asia, India believes that it has a contribution to make to the deliberations of the ARF," he added.

Radio Reports Rao Arrival

BK0709155394 Singapore Singapore Broadcasting Corporation in English 1100 GMT 7 Sep 94

[Text] India's prime minister, P.V. Narasimha Rao, has arrived for a three-day official visit at Prime Minister Goh Chok Tong's invitation. It is the first by an Indian prime minister to the Republic in more than 20 years. He was received at Changi Airport by Health and Information and the Arts Minister Brigadier General George Yeo, who is also minister-in-attendance.

Mr. Rao is accompanied by his daughter, three ministers of state, and a high-level business delegation from India. Later today he will attend a reception hosted by the Indian high commissioner, B.M.C. Nair. At the same time, Mr. Rao will have an informal meeting with local businessmen.

After a ceremonial welcome at the Istana [palace] tomorrow, Mr. Rao and Mr. Goh will hold talks. This will be followed by a delegation's meeting and the signing of bilateral agreements. Prime Minister Rao will also meet President Ong Teng Cheong and Senior Minister Lee Kuan Yew.

On Friday, the Indian and Singapore prime ministers will attend a meeting of businessmen from both sides organized by the Trade Development Board. Leading captains of the Indian industry and members of the Indian Business Interaction Group Steering Committee will be present.

Rao Meets With Goh Chok Tong

BK0809142594 Singapore Singapore Broadcasting Corporation in English 1100 GMT 8 Sep 94

[Text] Singapore welcomes India's eventual membership in the ASEAN Regional Forum and the Asia-Pacific Economic Cooperation. Prime Minister Goh Chok Tong told Indian Prime Minister Narasimha Rao that this is because India is a major power in Asia. A Foreign Ministry spokesman said the two prime ministers had a useful and friendly discussion this morning on regional and international issues. The talks covered areas of bilateral cooperation in power generation, public housing, telecommunications, research and development, and defense. Mr. Goh also talked about the next stage of Singapore-Indian cooperation. The prime minister said he will be going to Calcutta in January at the invitation of the Confederation of Indian Industry. He will also go to New Delhi.

Prime Minister Rao, on his part, said the talks with Mr. Goh were very cordial and practical. He said they touched on several areas of cooperation, many of which are ongoing. Mr. Rao said both sides exchanged ideas on the political situation in the region.

The Indian prime minister is in Singapore on a three-day official visit at the invitation of Mr. Goh. Mr. Rao was given ceremonial welcome this morning. He also called on President Ong Teng Cheong.

Mr. Rao delivered the 13th Singapore Lecture this evening. Senior Minister Lee Kuan Yew, who introduced Mr. Rao, said the Indian leader had firmly reshaped India's economy into one that is more open and competitive. Mr. Lee said Mr. Rao launched fundamental changes that can be as lasting as those of Mr. Deng Xiaoping in China. He also praised Prime Minister Rao for helping India to look east toward the dynamism of the Asia-Pacific. Mr. Lee said a weak leader could not have (?forced) such fundamental and painful economic reforms through a fragmented political environment. Mr. Rao's lecture is entitled: India and the Asia-Pacific—Forging a New Relationship.

Singapore and India have signed a memorandum of understanding on consultation in foreign affairs at the permanent secretary level. Signing on behalf of Singapore was Senior Minister of State for Foreign Affairs Mr. Lim Hng Kiang and for India Mr. R. Lal Bhatia, minister of state for external affairs.

[Words indistinct] news conference this morning, the 28-member business delegation accompanying Prime Minister Rao said that India can tap Singapore's specialized knowledge in developing infrastructure. He also cited Singapore's expertise in [word indistinct] market and the common use of English as important reasons for economic partnership with Singapore. The group is India's strongest business delegation to Singapore so far. They are expected to sign contracts worth some $400 million with local companies tomorrow.

Delhi Radio on Meeting

BK0809093994 Delhi All India Radio Network in English 0830 GMT 8 Sep 94

[Text] India and Singapore have agreed to widen their economic cooperation. The prime minister, Mr. Narasimha Rao—now on a visit to Singapore—today held talks with his counterpart, Mr. Goh Chok Tong, immediately after the ceremonial reception. Our Southeast Asia correspondent, T.G. Nallamuthu, reports that a memorandum of understanding [MOU] on foreign office consultation was signed after the delegation-level talks. It was initialed by the minister of state for external affairs, Mr. R.L. Bhatia, and his Singapore counterpart, Mr. Lim Kiang.

Later, talking to newspersons, the prime ministers of the two countries said they discussed several areas of cooperation and decided on steps to implement them.

Mr. Rao described the talks as friendly, cordial, and practical. Asked whether the talks met with his expectations, he said expectations keep going up even when we achieve what we had expected earlier. About defense cooperation, he said we already have some cooperation and we can think of agreements in due course. Mr. Rao said the two sides had good exchange of views on the political situation in their regions.

The Singapore prime minister, Mr. Goh Chok Tong, said today's talks are in continuation of the discussion he had when he visited India in January. He said he will go to Calcutta in January next year to attend the centenary celebrations of the Confederation of Indian Industries. He said he will visit Delhi if Mr. Rao so desires.

Rao Addresses Institute

BK0809132994 Delhi All India Radio Network in English 1230 GMT 8 Sep 94

[Text] The prime minister has said that India does not have any expansionist designs. Mr. Narasimha Rao was addressing the Institute of Southeast Asia Studies in Singapore today. He said the Indian Navy's capabilities should not be a cause of alarm for the countries in the Asia-Pacific region. Referring to India's contribution in maintaining world peace, Mr. Rao said New Delhi reserves the right to reject deployment of its forces in areas where they look like an aggressor. He said the solution to the Kashmir issue has to be found within the framework of the Indian Constitution.

Our Southeast Asia correspondent, Nallamuthu, reports that the Pakistani high commissioner in Singapore, using the question-answer session, made a propaganda blitz on Kashmir. Mr. Lee Kuan Yew, the former Singapore prime minister who was presiding over the function, pulled up the Pakistani diplomat and asked him to sit down. Mr. Rao expressed surprise that a Pakistani diplomat should resort to such interruption and declared the allegations made by the Pak envoy were totally false.

Singapore has expressed interest in investing substantially in India and supported New Delhi's association with the Asia-Pacific Economic Cooperation and the ASEAN Regional Forum. At the official- level talks between Mr. Narasimha Rao and his Singapore counterpart, Mr. Goh Chok Tong, the focus was mainly on expanding bilateral economic cooperation. Our correspondent reports that the two prime ministers had a one-to-one meeting for about half an hour followed by discussions at the delegation level. Mr. Narasimha Rao explained the steps taken by India to promote peace and stability in South Asia and also briefed his counterpart about Islamabad's attempts to internationalize the Kashmir issue. Referring to China, the prime minister said that both India and China have agreed to keep their border peaceful.

Goh Ends Malaysia Visit, Reviews Mahathir Talks

BK0809032094 Singapore Singapore Broadcasting Corporation in English 1100 GMT 7 Sep 94

[Text] Prime Minister Goh Chok Tong has ended his three-day working visit to Langkawi on a high note. Malaysian officials said the visit brought bilateral ties to a high plane. Mr. Goh told a news conference today details of his discussions with Malaysian Prime Minister Datuk Sri Dr. Mahathir Mohamed.

On bilateral relations, both men agreed that while there are differences, they should give more weights to positive aspects of cooperation so that the relationship is a balanced one. Mr. Goh said they also discussed two outstanding issues. One was the dispute over Pedra Branca [Island], which Singapore has administered for more than 150 years. Mr. Goh said both sides agreed the next step would be to refer the matter to a third party, such as the International Court of Justice. Mr. Goh and Dr. Mahathir agreed that the matter should be settled on a legal basis.

The other issue was the development of railway land in Singapore. Mr. Goh had suggested to Dr. Mahathir that both sides could take up the issue of interpretation of the agreement. It was signed in 1990 between Mr. Lee Kuan Yew, who was then prime minister, and Mr. Daim Zainuddin, former finance minister of Malaysia. Under the agreement, the land used for the Malaysian railway in Singapore, will revert to Singapore once it is no longer used for railway purposes. Mr. Goh said if Mr. Daim, who is now special economic adviser to the Malaysian Government, can convince the senior minister that there is another interpretation to the agreement, he would go by the agreement.

On the economic front, Mr. Goh said both sides are asking officials to study ways to encourage joint ventures in third countries by the private sector. Asked if there is a need for a formal body to promote investment, Mr. Goh said the existing young senior executive club, formed last year at his suggestion, could probably be formalized to look into the matter.

The prime minister has returned home from Langkawi.

Cambodia

Leaders Thank King for Conveying KR Proposals

BK0609135594 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 6 Sep 94

[Letter from Samdech Chea Sim, acting head of state and chairman of the National Assembly; Prince Krompreah Norodom Ranariddh, first prime minister; and Samdech Hun Sen, second prime minister, to His Majesty King Norodom Sihanouk; dated 5 September—read by announcer]

[Text] To His Majesty King Norodom Sihanouk Varaman, king of the Kingdom of Cambodia:

Your Majesty, we have received your message dated 3 September 1994. We would like to express our deepest thanks to Your Majesty for forwarding Mr. Khieu Samphan's proposals to us. We would like also to present some opinions as follows:

The case of the three foreigners taken hostages by the Khmer Rouge rebels is a problem for which the Khmer Rouge must be held directly and fully responsible because it is a direct result of their terrorist activities and their customary barbarous and cruel acts. As for the Royal Government, its duty and task are merely to help solve the problems caused by the Khmer Rouge rebels.

The Cambodian people as well as the world community well remember that, since the day our National Assembly unanimously agreed to outlaw the Khmer Rouge rebels and the Royal Government closed down their office in Phnom Penh, these rebels have committed inhumane and cruel acts. In particular, they have kidnapped local people or foreigners and have even taken these three people hostage.

Therefore, their taking the above three foreigners as hostages is not a new case nor an issue stemming from the outlawing of the Khmer Rouge rebels or the closure of their office.

Concerning the case of the humanitarian organization Medicins Sans Frontieres, if the Khmer Rouge rebels continue to harass, intimidate, capture, or kill people in this humanitarian organization—who only come here to help our Cambodian people—then they must be held directly responsible before (?our motherland) as well as the international community.

As for the Royal Government, the only duties it has to fulfill are to ensure security, political stability, and the safety of the people, foreigners, and all international organizations currently staying and working in the Kingdom of Cambodia. For the future, the Royal Government, as it has done in the past, will continue making all-out efforts to fulfill these duties.

May Your Majesty and the revered Queen enjoy the five blessings of the Lord Buddha for longevity, social prestige, happiness, strength, and enlightenment so that you will remain the cool shade of your beloved children, grandchildren, and great-grandchildren in your lofty mission of leading the Cambodian motherland toward eternal peace, happiness, and social progress.

Please forgive any inappropriateness.

[Dated] Phnom Penh, 5 September 1994
[Signed] Samdech Chea Sim, acting head of state and chairman of the National Assembly;
Prince Krompreah Norodom Ranariddh, first prime minister;
Samdech Hun Sen, second prime minister.

Radio Views Khmer Rouge Call for Law Revocation

BK0809024094 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 7 Sep 94

[Station commentary]

[Text] Khmer Rouge leader Khieu Samphan recently sent a message to his majesty the king, who is receiving medical treatment in Beijing's central hospital. In this message Khieu Samphan begged for the king's intervention to get the Royal Government to accept the Khmer Rouge rebels as a legitimate political party in exchange for the release of three foreign hostages.

Immediately upon hearing this, all strata of our people know that this was just the attempted trick of a cornered dog. Everyone knows that the Khmer Rouge was unanimously outlawed on 7 July 1994 by the Kingdom of Cambodia's National Assembly. Outlawing the Khmer Rouge group is the will of the people nationwide, while the hostage issue is a terrorist act and a genocidal policy of the Khmer Rouge, which is stained with the people's blood. Furthermore, the outlaw status of the Khmer Rouge was the result the rebels' own intransigence. It was the Khmer Rouge that shut the door while our noble Assembly members only abided by the will of the people, those who cast ballots. Those who sow rice will reap rice, and those who sow the wind will reap the storm.

In fact the Khmer Rouge rebels have put themselves outside the law and society since they refused to take part in the UN-sponsored election. However, following the democratic election and the birth of the legitimate Royal Government, the latter has tried to find a way to get these rebels to give up their banditry and return to the fold. The Royal Government was prepared to give appropriate roles to an acceptable number of Khmer Rouge leaders.

However, immersed in their boundless ambition to monopolize power the way they did between 1975 and 1978, the Khmer Rouge not only did not accept the goodwill of the Royal Government but has intensified all kinds of activities to attack villages and wreak even more dangerous destruction on the nation. The talks, which were the astute and clear-sighted intitiative of the king, have always been thwarted by this blood-thirsty group.

For these reasons, our people have insistently asked the Royal Government to stop this group by outlawing it and using tough methods to smash the hard-headed elements of the Khmer Rouge while opening the door to those who have been forced by the rebels to serve them and to die on their behalf. To this day, through compatriots who have awakened and left the Khmer Rouge ranks to join the Royal Government, we know that the Khmer Rouge has become more savage and more perfidious; the Khmer Rouge has the ambition to regain power through every possible means.

Even before the day our National Assembly unanimously outlawed the rebels, our people, like the international community, clearly knew that the Khmer Rouge would not give up their very inhuman banditry. The Khmer Rouge has kidnapped people and foreigners before and even killed them. Therefore, the abduction of three foreigners by the Khmer Rouge this time is nothing new, and this did not start with the outlawing of the Khmer Rouge. It is a matter the Khmer Rouge must directly and fully take responsibility for because it stems from this group's traditional and longstanding terrorist, savage, and brutal activities.

People clearly realize the weight of the bill outlawing the rebels, which has caused this group to resort to tricks like a cornered dog.

Soldiers See 'No Sign' of Hostage Release

BK0809133794 Hong Kong AFP in English 1314 GMT 8 Sep 94

[Excerpt] Kampot, Cambodia, Sept 8 (AFP)—Government soldiers in Cambodia's southern Kampot province said Thursday they saw no sign of the imminent release of three western hostages being detained by Khmer Rouge guerrillas.

"The Khmer Rouge are not going to release the hostages, (?the hostages) are their protection from attack," second lieutenant Chea Sokhoeun said at a road block in the remote Kompong Trach district near where Frenchman Jean-Michel Braquet, 27, Briton Mark Slater, 28, and Australian David Wilson, 29, were seized in a July 26 train ambush.

The three backpackers are being held at a Khmer Rouge jungle base on nearby Phnum Voar mountain.

"You cannot go on because we are afraid the Khmer Rouge will come down from Phnum Voar and seize more foreigners but it is okay for Cambodians," the officer told AFP.

The officer said that recent Khmer Rouge attacks in Kampot took place because guerrilla units from further north in Kompong Speu province were trying to bring in fresh supplies to their comrades in Phnum Voar.

"We cannot surround Phnum Voar completely," the officer said, adding that some Khmer Rouge units were believed to have broken through government lines to bring in supplies to the guerrilla captors.

The situation in the Kampot area, however, was calm Thursday following an upsurge in clashes over the past few days.

Government troops and militia were stationed along the main road to the capital after it was cut Sunday and briefly on Tuesday due to guerrilla attacks. [passage omitted]

Official Warns Media of Fighting in Hostage Zone

BK0709120494 Hong Kong AFP in English 1130 GMT 7 Sep 94

[Text] Phnom Penh, Sept 7 (AFP)—A high ranking Cambodian government official warned the press Wednesday not to travel to southern Kampot province where three westerners are being detained by Khmer Rouge guerrillas.

"That is a fighting zone and if the press try to enter, they do so at their own risk and responsibility," the official, who asked not to be identified, said.

The official said there was no fighting around the Khmer Rouge's jungle base at Phnum Voar where the three foreigners are being held, adding that the troops were under strict orders from co-Premier Prince Norodom Ranariddh not to attack the Khmer Rouge captors.

Instead they were to surround the guerrillas' base, cut off supplies and prevent the possibility of the Khmer Rouge moving in reinforcements or moving the hostages out.

The military, however, did not have to exercise restraint with the Khmer Rouge elsewhere in the province, the official said.

Frenchman Jean-Michel Braquet, Briton Mark Slater and Australian David Wilson were seized in a July 26 train ambush.

A local aid worker told AFP in Kampot that the government was firing artillery over the provincial town early Tuesday.

The troops were aiming at Khmer Rouge guerrillas who attacked the small village of Dei Et five kilometers (three miles) north of Kampot town and some 20 kilometers (12 miles) west of Phnum Voar, the aid worker said.

The guerrillas killed seven government policemen and injured two others in the attack. One civilian was also killed, police and local villagers said.

Officials from the three respective embassies, however, have returned to Kampot, the government official said.

An angry Prince Ranariddh ordered the expulsion from Kampot of all journalists and diplomats August 21.

The prince, at that time, criticised the media and embassy personnel saying they had "tremendously complicated" the governments's efforts to secure the release of the hostages.

Local paper The Cambodia Daily also quoted Prince Ranariddh as saying that foreign journalists who exaggerate the news would be expelled from the country.

Khmer Rouge Troops Move Toward Phnum Voar

BK0809075194 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 8 Sep 94 pp 1, 5

[Summary] Twenty five men were taken away by the Khmer Rouge and traffic on a stretch of National Route 3 was interrupted during an attack by the Khmer Rouge on Prey Thnang commune, near Phnum Chrak Thvea, about 20 km from Kampot provincial city, on 4 September.

The popupation in Prey Thnang commune, most of them ethnic Cham, have moved their families and property through various means to the Kampot provincial seat under the strict control of the local authority. According to Sop Moet, first assistant of Prey Thnang commune, 270 Khmer Rouge, crossing from Kompong Speu Province, came to abduct people and rob from 0600 to 1400 before retreating. Khmer Rouge troops were deployed on a five-kilometer stretch of National Route, from Don Soy to the road leading to the cement factory. A policeman and a villager were wounded during the fighting with the Khmer Rouge. Sop Moet said the intervening troops of the Khmer Royal Armed Forces [KRAF], along with tanks, arrived at the scene after the Khmer Rouge had already gone. Two vehicles were burned and a lot of property taken away.

Another 50 Khmer Rouge troops were reported to have crossed the area and headed toward Phnum Voar. Officials in Kampot Province say these Khmer Rouge activities are aimed at preventing the current KRAF attempt to encircle Phnum Voar. The Khmer Rouge could also carry out activities in other areas or even seize a position.

On 6 September at 0520, about 30 Khmer Rouge attacked the provincial police positions at Prey Thang and Vat Ang monastery in Kampot District. In the attack, three Khmer Rouge were killed and two wounded. On the government side, eight were killed, including a commune official. The Khmer Rouge burned two houses and took away some property and four men.

PGNUNS Foreign Ministry Rejects Investment Law

BK0709140094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 7 Sep 94

["Communique" of the Foreign Ministry of the Provisional Government of National Union and National Salvation issued on 7 September; place not given—read by announcer]

[Text] After passing the immigration law aimed at exterminating the Cambodian nation and people, legalizing the stay of 4 million ethnic Vietnamese in Cambodia, and opening the door to millions of other Vietnamese immigrants, recently on the order of the villainous alliance and communist Vietnam, the two-headed elements ratified another law on foreign investment in Cambodia. This law from the two-headed elements stipulates a total tax exemption for foreign investors doing business in this country.

People are wondering why the two-headed elements would ratify such an inverse, bizarre law unprecedented anywhere else in the world? This can be easily explained as follows:

1. They passed this law for economic reasons. In their economic and political interests, they must prolong the life of the communist Vietnamese puppet regime in Cambodia in order to continue igniting the communist Vietnamese war of aggression, murdering the nation and people, and preserving the puppet regime of the two-headed elements which is a communist Vietnamese administration at the ratio of 99 percent in Phnom Penh and 100 percent in the provinces. However, they developed this law in a situation in which they are inextricably bogged down, deadlocked, and losing control in all fields and sectors. Militarily, they have no troops with which to fight. Politically, they are opposed and rejected by the people. Economically and financially, they have nothing left.

2. They made this law so they could sell out the Cambodian nation and people to foreigners, making it impossible for the Cambodian nation and people to free themselves. They are allowing the villainous alliance, communist Vietnam, and criminals and adventurers of all types to carry on their evil policy of undermining and destroying Cambodian society, undermining and destroying Cambodia's economy and finance, plundering and completely ransacking the natural resources and assets of our nation and people, and exterminating our nation and people through their policy of systematic impoverishment and famine. They have done this to suck the blood of the Cambodian nation and people, scrambling and wrangling for interests at the expense of the Cambodian nation and people. In this situation, no honest foreign investors are interested in Cambodia. They want to invest and do business only in countries that are peaceful, stable, and have the necessary law and order to guarantee their investments.

The Provisional Government of National Union and National Salvation [PGNUNS], nation, and people resolutely reject this so-called investment law. The Cambodian nation and people together with the PGNUNS will continue to wage a struggle against all dark designs of the villainous alliance, communist Vietnam, and two-headed elements in order to quickly end their war and achieve national reconciliation and peace, and also in order to establish a genuinely national government with the participation of national forces of all political tendencies to rebuild the country, develop the economy, and protect the nation's interests.

[Dated] 7 September 1994
[Signed] The Foreign Ministry of the PGNUNS

Antigovernment Newspaper Editor Killed in Capital

BK0709133094 Hong Kong AFP in English 1231 GMT 7 Sep 94

[Text] Phnom Penh, Sept 7 (AFP)—A local newspaper editor was shot and killed by two unidentified gunmen in the centre of the Cambodian capital, a senior police officer said Wednesday.

"We think this was political or personal because the criminals did not steal any belongings," Police General Mok Chito told AFP.

The editor Nong Chan was driving his motorbike Wednesday when he was shot by two gunmen in civilian clothes who were also on a motorbike. The gunmen sped off after hitting the editor in the shoulder. Nong Chan was dead on arrival at hospital, the police officer said.

His newspaper Samleng Yuveakchon Khmer (Voice of Khmer Youth News) is considered anti-government and often ran vitriolic and personal attacks on government leaders including co-Premier Hun Sen.

Government To Wage 'Development War' Against KR

BK0609071294 Phnom Penh CAMBODIA TIMES in English 4-10 Sep 94 pp 1, 2

[Report by T. Mohan]

[Text] Phnom Penh—The people of this nation yearn and desire for peace but there should be no sharing of power with the Khmer Rouge [KR].

First Prime Minister Prince Norodom Ranariddh, during a recent exclusive interview with CAMBODIA TIMES said, during a visit to the villages, "I asked the several thousands of people gathered there whether they want peace."

"All of them raised their hands and said they wanted peace. Peace yes, but no Pol Pot (Khmer Rouge). They have not and do not want to forget the Pol Pot era where almost all of them suffered at the hands of the Khmer Rouge."

"The masses, they do not want to be with Mr Pol Pot (Khmer Rouge), to sleep under the rain, under the shells in malaria affected areas."

"The Khmer Rouge continue to come, every day, in the tens, to return to their families. They want jobs, they want employment offered in a country which is rich and developed," Prince Ranariddh said. He added that the Royal Government is in the midst of planning a multilateral aid programme. This programme involves Malaysia, Thailand, Japan Indonesia and Philippines.

"We want to develop the valley near Phnum Srang Mountains. The area is infested with Khmer Rouge."

"We want the Khmer Rouge to look down from the mountains to the valley and see their relatives and children living a proper life, learning to improve their productivity and standard of living, tapping rubber, harvesting rice, growing tapioca."

"We want the Khmer Rouge cadres to listen to their children learning English. We want them to think what kind of society Mr Pol Pot will be able to propose or provide for them."

"If ideology is the basis, then it will fail everywhere. Even the land of Lenin and Marx have left communism and nobody will forget what Pol Pot did," the First Prime Minister said.

He added that economic development will lead the way to defection among the Khmer Roug ranks.

"I have always told my colleagues and officials, outlaw the Khmer Rouge, yes! I do not mind. But if they want to come out and integrate with the society, let them."

"When they see development around them they will not want to stay with Pol Pot. That is why we need to woo investors, that is why we need the liberal investment laws," he added.

Prince Ranariddh also dismissed reports that the Khmer Rouge were a threat to investors and society.

"The investors, they know the real situation here. They have already come and continue to submit million dollar proposals for development of various industries and infrastructures."

"The Khmer Rouge, control less than 10 per cent of the country. We will beef up our armed forces to provide security to the areas under our control. We will use the development war to win the Khmer Rouge."

"With reforms in the army and better salary and organisational structure, our soon to be professional armed forces will provide security to the masses."

"After all, this nation is not less safe than other places such as New York or Los Angeles. The situation here is grossly exaggerated.

The development war, that is the war we must aim to win to wipe out the Khmer Rouge menace," Prince Ranariddh said, during his interview with CAMBODIA TIMES recently.

Indonesia

Darul Arqam Banned in Four More Provinces

BK0809092194 Jakarta REPUBLIKA in Indonesian 27 Aug 94 p 16

[Text] Jakarta, REPUBLIKA—The high prosecutorial offices of the Jakarta Capital Region, East Java, Central Java, and West Nusatenggara yesterday simultaneously banned the Darul Arqam [Indonesian name of the al-Arqam Movement, which originated in Malaysia] from conducting its activities. Earlier, the high prosecutorial offices of West Sumatera, Riau, West Java, Aceh, and North Sumatera officially declared the Darul Arqam a banned organization.

In Jakarta, the High Prosecutorial Office banned the Darul Arqam on the grounds that its missionaries, followers, and executive officials continue to adhere to the book Aurad Muhammadiyah, written by Ashaari Muhammad [Malaysian head of the al-Arqam Movement]. "The book was banned by Attorney General Singgih on 20 January 1993," Basrief Arief, chief public relations officer of the Attorney General's Office, said in Jakarta on Friday [26 August].

The high prosecutorial offices of East Java, Central Java, and West Nusatenggara used similar grounds for the ban. In additon, Basrief Arief said that the propagation of the Darul Arqam's teachings based on the Aurad Muhammadiyah may undermine religious life.

The Darul Arqam's activities may undermine national unity and cohesion and are not in line with Pancasila [state ideology] and the broad outline of state policies. Attorney General Singgih said that each high prosecutorial office has been accorded the authority to ban the Darul Arqam in accordance with the conditions of its particular region.

Meanwhile, Dr. Ing. [academic title] H. [Hajj] Abdurrahman Riesdam Effendi, head of the Darul Arqam for the Java 2 Region, went along with six colleagues to the West Java High Prosecutorial Office in Bandung. "As good citizens, we accept the decision," said Riesdam after meeting with a team in charge of monitoring faiths made up of officials of the West Java High Prosecutorial Office, assistant for intelligence to the West Java regional military commander, head of the Islamic Education Division of the Religious Affairs Department, head of the Sociopolitical Affairs Directorate, and head of the IPP [expansion unknown] Directorate of the West Java Regional Police.

The two-hour official function centered on the presentation of a decree banning the Darul Arqam's activities, which are based on the Aurad Muhammadiyah. However, Riesdam and Drs. [academic title] Syahmardan Lubis S.H. [academic title], assistant for intelligence to the head of the West Java High Prosecutorial Office, described the meeting as a friendly one. Riesdam immediately went home after the meeting and canceled a planned news conference. "We do not want to make a fuss," he said.

Syahmardan Lubis told reporters that the ban centered on activities, which are based on the Aurad Muhammadiyah. Other activities, such as economic and educational ones, will not be banned at all as long as they are not based on the Aurad Muhammadiyah. The way they are dressed is not questioned, either.

Lubis expressed the belief that those who came to the High Prosecutorial Office were a "good group." According to him, they need religious education. The High Prosecutorial Office will, thus, ask the Religious Affairs Department and the Indonesian Ulemas Council to help them. "God willing, they will understand what we are doing," he said.

"They have just deviated from religious teachings and need religious education," said K.H. Totoh Abdul Fatah, chairman of the West Java chapter of the Indonesian Ulemas Council. Totoh, however, declined to say how the religious education would be conducted. "Let's wait and see," he said.

The Darul Arqam in Bandung, the Java 2 Region, which covers Bandung, Cimahi, and Tasikmalaya has 130 members. According to Riesdam, there are thousands of sympathizers. The group owns a soy sauce factory in Tasikmalaya. In Bandung, they are engaged in various businesses such as silk-screening and the sale of cassettes containing religious songs (songs praising Prophet Mohamed).

Slow Growth of Textiles Industry Outlined

BK0509160794 Jakarta SUARA PEMBARUAN in Indonesian 24 Aug 94 p 2

[Editorial: "The Slow Growth of Textiles and Textile Products Industry"]

[Text] In a written message read before a seminar entitled: "The Services and Information Network on Wider Market Opportunities, Investment, and Industrial Technology" in Jakarta on Monday, 22 August, Tunky Ariwibowo, minister of industry, said the slow growth of several industrial commodities that Indonesia mainly relied on for its primary export during the first semester of 1994 is worrisome, especially textiles and textile products. These products have become the country's largest nonoil nongas commodity exports.

Quoting a report from the United States Department of Agriculture, the minister said recently that there will be sluggish export growth in the textiles and textile products industry this year. The worrisome condition is caused by the limited system of distribution and marketing. Even though Indonesia's textiles and textile products are highly competitive in the international market, there are still many exporters and industrialists that conduct trade through a middle country.

It is interesting to note the findings of a study on the textiles and textile products industry which says that out of the 66 weeks required for manufacturing garments from yarn and to deliver them to consumers, the added value is obtained only during the 11 weeks of the processing period, while the rest of the time (55 weeks) is a nonprofitable period because the products are stocked at the warehouse waiting to be processed or to be transported for export to other countries.

Therefore, it is very clear that stepping up efficiency, simplifying several transportation procedures, and ensuring the smooth flow of goods are factors that determine the speedy export of textiles and textile products. Besides, exporters should be provided with information on access to international markets, and in turn, the exporters should immediately respond to the scheduled date for dispatching the commodities and quickly make an inventory of the stock. However, the Customs and Excise Division plays the determining role in efforts to expedite the shipping and transporting of the export products.

Actually there were warning signs and the slow growth of the nonoil nongas commodities had been anticipated several months ago. This was indicated by the stiff market competition in the global market. It had been mentioned at several seminars that several factors are still impeding the nonoil nongas commodity exports despite the government's issuing many deregulation measures to achieve a higher degree of effectiveness and efficiency in the industrial sector. A consensus has been reached on the need to stop the practice of paying unnecessary charges to shipping officials in an effort to increase competitiveness. Besides, the country's production should be efficient and manufactured by using modern technology.

The industry minister's statement was supported Sugito M.A. [Master in Arts], head of the Statistics Bureau, saying the growth rate of Indonesia's exports from 1993 to the first five months of 1994 was only about 2 percent. Whereas the growth rate between 1989 and 1993 was over 20 percent.

Following a meeting with Vice President Try Sutrisno at South Merdeka Palace in Jakarta on 22 August, Sugito told newsmen that the reason for the decline in Indonesia's export growth was due to competition among developing countries China and Vietnam to vie for the exports quota.

The policy on expanding Indonesia's export trade cannot be detached from the country's industrial development strategy, especially as it is entering the take-off period for the second 25- Year Long-Term Development Master Plan, whereby the industrial sector is one of the main motivators for the growth of the national economy.

It seems that under the industrial development strategy, Indonesia still needs to depend on foreign countries in an effort to find substitutes for its import or export commodities. Actually, the current industrialization strategy is only at the stage where it is changing the import commodities from consumer goods to industrial products. Therefore, we must accept the reality that even if we find the substitutes for our imports or embark on manufacturing export-oriented products, still, they will not earn much foreign currency because the bulk of the basic material and accessories as well as component parts required for the domestic industries must be imported.

Several economic planners are critical of the nation's industrial development strategy. They say that the two patterns of industrialization, the import substitutes and the export-oriented industries, are not capable of creating economic integration in the country. This is because such a target will not lend support to the development of other strategic sectors of the national economy. The planners believe that such a strategy will result in the redistribution of income which is profitable to the capital owners only. A strategy that is concentrated on the comparative edge such as low labor cost will automatically neglect development of the domestic market. There will be an increase in the productivity for the domestic market, but due to cheap labor costs, the products will be consumed only by a small group of people—the high-income society and buyers at overseas markets. Ideally, the industrial development strategy should be worked out in line with the improved purchasing power of the people.

In this context, it looks like the formulators and the decision makers, particularly the think tank at the Bappenas [National Development Board], need a more sound understanding of the subject before developing an industrial development strategy.

Laos

Leaders Greet Counterparts on SRV National Day

BK0209131994 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 2 Sep 94

[Text] Yesterday, Comrade Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee, prime minister of the Lao People's Democratic Republic [LPDR]; Comrade Nouhak Phoumsavan, president of the LPDR; and Comrade Saman Vi-gnaket, chairman of the LPDR National Assembly, jointly sent a message of congratulations to Comrade Do Muoi, general secretary of the Communist Party of Vietnam [CPV] Central Committee; Comrade Le Duc Anh, president of the SRV; Comrade Vo Van Kiet, prime minister of the SRV; and Comrade Nong Duc Manh, chairman of the SRV National Assembly, in Hanoi.

The message reads:

On the occasion of the 49th anniversary of the SRV national day, on behalf of the LPRP Central Committee, the National Assembly, the government, and Lao people and in our own names, we would like to extend our best wishes to you, comrades, and, through you, the CPV Central Committee, the National Assembly, the government, and all fraternal Vietnamese people.

The victory of the August revolution and the establishment of the SRV on 2 September 1945 constituted a victory of great historic significance of the struggle full of outstanding heroic deeds of the Vietnamese people under the talented leadership of the CPV for the independence and freedom of the Vietnamese nation. Further enhancing the said tradition of profound patriotism, the fraternal Vietnamese people resolutely overcame numerous difficulties, defeating the imperialist aggressors, completely liberating the country, and reuniting their fatherland.

In the past recent years, the Vietnamese people have united as one in securely safeguarding and further expanding the fruits of the revolution by making important achievements in carrying out the cause of comprehensive renovation, thus enabling the SRV to march forward firmly and to have more prominent roles and position in the international arena, making noble contributions to the cause of peace, stability, friendship, cooperation, and development in Southeast Asia and the world.

We are extremely satisfied to see that the relations of friendship, special solidarity, and comprehensive cooperation between the two parties, states, and peoples of our countries have been incessantly strengthened, developed, and consolidated along the direction aimed at increasing their quality and efficiency to gradually meet the aspirations and interests of each country.

On this auspicious occasion, may the fraternal Vietnamese people under the talented, wise, and clear-sighted leadership of the CPV score yet greater new victories in the cause of comprehensive renovation, building Vietnam into a wealthy and strong country, bringing wealth and happiness to the people and justice and civilization to society.

May you, comrades, have good health and attain successes in fulfilling your noble tasks.

On the same occasion, Comrade Somsavat Lengsavat, foreign affairs minister of the LPDR, also sent a message of congratulations to Comrade Nguyen Manh Cam, foreign affairs minister of the SRV, in Hanoi.

The message reads:

On the occasion of the 49th anniversary of the SRV national day, I have the honor to send my best wishes to you, comrade.

Over the past 49 years, under the talented and clear-sighted leadership of the CPV, the fraternal Vietnamese people have scored successive great victories in the struggle for national independence and freedom and for the tasks of defending the revolutionary fruits and national construction along the line of renovation in the present. I am firmly confident that the relations of friendship, special solidarity, and comprehensive cooperation between our two countries as well as the cooperation and coordination between our two Foreign Affairs Ministries will be continuously strengthened for the common interests of our two peoples.

May I take this important opportunity to wish you, comrade, good health and successes in fulfilling your noble duties and tasks.

Diplomatic Ties Established With South Africa

BK0809081794 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 7 Sep 94

["Joint statement" by the Lao People's Democratic Republic and the Republic of South Africa; issued in Vientiane 7 September 1994]

[Text] With good intentions to develop and maintain good cooperation and mutual understanding, the Lao People's Democratic Republic [LPDR] and the Republic of South Africa have agreed to establish diplomatic relations at the ambassadorial level, beginning on the day this joint statement is issued.

The two sides have expressed readiness to preserve relations in accordance with the UN Charters and regulations in the international law and on the basis of equality, respect for each other's sovereignty, and noninterference in each other's internal affairs.

The two sides are firmly confident that the establishment of the full diplomatic relations between the LPDR and the Republic of South Africa are in conformity with the interests of the Lao and South African peoples and constitute a contribution to international cooperation and world peace.

[Dated] Vientiane, 7 September 1994

Diplomatic Relations Established With Lithuania

BK0709162894 Vientiane KPL in English 1030 GMT 7 Sep 94

[Text] Vientiane, September 6 [dateline as received] (KPL)—An agreement on setting up diplomatic relations between the Lao People's Democratic Republic [PDR] and the Republic of Lithuania was signed in Moscow, Russian Federation, on September 1.

The signatories to the agreement were Soukthavon Keola, ambassador extraordinary and plenipotentiary of the Lao PDR to Russia, and the ambassador of Lithuania to Russia.

The two countries are satisfied with the growth of their relationship and in the new period find ways to step up and strengthen the ties of friendship and cooperation in economy, trade, culture and others for the benefit of the two nations' people, for people and security in the world.

Thai Banking Group Arrives To Provide Assistance

BK0309121794 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 3 Sep 94

[Text] Khamphoui Keoboualapha, chairman of the Committee for Planning and Cooperation of the Lao People's Democratic Republic [LPDR], received a courtesy call from a Thai banking delegation headed by Wichit Sukphinit, governor of the Bank of Thailand, who was accompanied by Professor Nongyao Chaiseni, president of the Thammasat University Council, and M.R. Pridiyathon Thewakun, managing director of the Thai Import-Export Bank, at the reception room of the Committee for Planning and Cooperation on the evening of 1 September. The meeting between the host and guests proceeded in an amicable atmosphere. During the meeting, the Thai banking delegates informed the chairman of the Committee for Planning and Cooperation of the objectives of their visit to Laos, which included holding working sessions with the delegation of the Bank of the LPDR. The two sides discussed various issues of mutual interest. Khamphoui Keoboualapha hailed the delegation's visit to Laos and wished it success, noting that this visit would contribute to strengthening the brotherly solidarity between the two countries. In return, the Thai banking delegation thanked the chairman for according it a warm welcome.

At noon on 1 September, the Thai banking delegation headed by Wichit Sukphinit paid a call on Boutsabong Souvannavong, governor of the Bank of the LPDR. During the conversation, which proceeded in an amicable atmosphere, the two sides informed each other of their respective activities in carrying out banking operations. They also noted the Thai side's assistance to the Bank of the LPDR in opening a graduate study program in business administration in Vientiane for Lao banking personnel.

The Thai banking delegation arrived in Vientiane at noon on 1 September.

Forty-Four More Refugees Return From Thailand

BK0509102394 Vientiane KPL in English 0917 GMT 5 Sep 94

[Text] Vientiane, September 05 (KPL)—Late last month, 18 more families of 44 Lao refugees returned home from Thailand.

At a hand-over ceremony held in Hat Saifong District, Vientiane Municipality, Mr. Khonsavan Phommadouang on behalf of the Lao side received the refugees from Mr. Chaliao Phongphasouk representing the Thai side. The ceremony was witnessed by representatives of the United Nations High Commissioner for Refugees in Laos (UNHCR).

Among the returnees coming from Napho and Phanat Nikhom camps in Nakhon Phanom and Chon Buri provinces of Thailand respectively, nine families are origins of Vientiane Municipality, three of Vientiane Province, two of Xieng Khouang Province, one of Bolikhamsai Province, one of Khammouane Province, and two of Savannakhet Province.

Now, there are some 18,000 Lao refugees staying in Thailand. These people are expected to return home by the end of this year.

Philippines

Ramos Departs on Five-Nation European Tour

BK0809110094 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 8 Sep 94

[Text] President Ramos left this afternoon at 1600 on the start of a nine-day visit to five European countries. Included in Ramos' entourage is first lady Amelita Ramos and 21 members of his official party. Ramos will have a brief stopover in Bangkok, where he will meet with Thai Prime Minister Chuan Likphai, after which he will proceed to Rome, Italy, the first country on his itinerary. The president will have an audience with Pope John Paul II at Castel Gandolfo, the pope's summer residence. Ramos will also visit Spain, Belgium, Germany, and France.

The president said in his departure speech that the main purpose of his trip is to convey to European investors the tremendous business opportunities in the Philippines:

[Begin Ramos recording, in English] Our mission is to renew our country's contacts and friendships in the world's largest single economic unit, which is the European Union. We shall inform our European friends of the extent of our country's economic recovery and the opportunity this offers their investors, industrialists, and businessmen to establish themselves in the Philippines at the vital center of Asia-Pacific—the world's fastest-growing region. [end recording]

PRC Embassy Worried About Dealings With Taiwan

BK0109122394 Manila THE MANILA CHRONICLE in English 30 Aug 94 p 7

[Report by Bert Castro and Gemma Tampus-Cuadro]

[Text] The Chinese Embassy is consulting its home office in Beijing on the "official welcome" given by the Ramos Government to visiting Chairman Chao Shou-po of Taiwan's Council of Labor Affairs (CLA) yesterday.

Meanwhile, Labor Secretary Nieves Confesor and Chao met yesterday and agreed on the repatriation of some 10,000 undocumented Filipino workers in Taiwan.

The political section of the Chinese Embassy said it is withholding statement on whether or not to protest what is perceived as another breach of the country's "one-China policy" until after getting official advice from Beijing. The Chinese Embassy is expected to release its position today.

Unlike previous practice in which only Filipino businessmen received visiting Taiwanese officials, President Ramos and his officials now are having direct official contact with the Taiwanese officials.

The most recent one was the recent holiday-visit of the Taiwan president to Subic Freeport, where President Ramos met him for a brief talk.

Speaking through spokeswoman Ambassador Susan Catrence, the DFA [Department of Foreign Affairs] said it was unaware of any arrangement made by Malacanang on Chao's visit here.

Chao met with Confesor at the Ilustrado restaurant yesterday noon and discussed the repatriation of undocumented Filipino workers in Taiwan starting November this year.

Taiwan has been planning to deport illegal Filipino workers but labor department officials managed to persuade the Taiwanese government to delay the deportation and sought better treatment for the Filipino workers.

Officials at the labor department said Chao assured Confesor that Taiwan will tolerate the presence of illegal Filipino workers up to 30 November.

Chao also agreed that Taiwan will set up three centers where the illegal workers could register for eventual repatriation to Manila, the officials said.

The registration of undocumented Filipino workers has been scheduled for the whole month of October this year. All registered Filipino workers are expected to leave Taiwan from 1 to 30 November.

Labor department officials said the government and the private agencies that recruited the workers will shoulder the repatriation expenses.

Chao and Confesor also agreed that registered Filipino workers will not be arrested and they will be allowed to apply for employment in Taiwan again after repatriation.

While Confesor and Chao agreed that the identities of Taiwanese employers will be withheld and that the Filipino workers must state in their registration papers how much money they paid to their recruiters.

The labor department officials said they will use the information on placement fees to curb the exaction of excessive fees from Filipino workers, who reportedly paid between P [Philippine pesos] 25,000 to P50,000.

Agreement With Japan To Increase Food Production

BK0709055794 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 7 Sep 94

[Text] The Philippines has signed an agreement with Japan to push the country's food production program. The agreement was signed by Foreign Affairs Secretary Roberto Romulo and Japanese Ambassador to the Philippines Yoshifumi Matsuda. The Philippines-Japan Increase Food Production Program aims to support the agricultural sector to enhance the productivity of farmers. The food production program has a budget of 1.8 billion yen.

Ramos Releases Funds for Mindanao Road Project

BK3108140694 Manila MANILA STANDARD in English 28 Aug 94 p 5

[Report by Joem Macaspac]

[Text] President Ramos yesterday unveiled a package of development programs that will speed up the full development of Mindanao. During the closing ceremonies of the third Mindanao Business Conference, the president released some P10.2 [Philippine pesos] billion for the construction of some 743 kilometers of roads crisscrossing the entire island.

The release is the biggest ever made by Malacanang and is the Ramos Government's flagship project in southern Philippines. It involves the construction of 13 separate arterial road projects connecting the different provinces in Mindanao.

Mr. Ramos said his government is now involved in the "integration and rejuvenation of the entire island" which will be a major participant in the development of the East ASEAN Growth Area being undertaken by the Philippines, Brunei, Malaysia, and Indonesia. He stressed the development plans for the entire region was developed painstakingly through constant dialog with businessmen in Mindanao.

"This has resulted in a new dynamism and a strong momentum in Mindanao," he explained.

Apart from the road system, the government also identified the construction of a new international airport to serve the requirements of the so-called Cagayan de Oro-Iligan growth corridor and the installation of needed telephone lines throughout the region. The president said these development projects should be sustained by the private sector, including business groups which are the main beneficiaries of these development projects.

"The national government would continue working with the private sector in these efforts, consulting them on any further plans, to ensure that any small divisions, partisan considerations, and self-interests are set aside in favor of the people's interest and the national welfare," he added.

Since the Mindanao arterial road project was identified earlier this year, only five more packages have still to be bided by year-end.

Of the eight packages under construction, five are already ahead of their monthly target completion schedules, the president said. He said the road network would upgrade existing road systems throughout the island, providing a more dependable linkage between provinces in the region.

Alongside this effort, the Chief Executive cited the importance of upgrading existing airport facilities in Mindanao to meet future transportation requirements.

Of all airport improvement projects, the planned construction of a world-class international airport in Lagindingan town in Cagayan de Oro City is expected to meet transportation needs to and from the Cagayan de Oro-Iligan growth area. He said the project, scheduled to be completed before the end of his term in 1998, will be constructed through the combination of a build-operate-transfer scheme, foreign assistance, national government outlay, and local community support.

He added the Department of Transportation and Communication has already identified the strategic partner in this venture, although its identity would be made known later after a final agreement has been reached.

Earlier in the month, the Chief Executive led officials in Zamboanga City in the inauguration of a new terminal building for the Zamboanga City International Airport.

The airport facility is seen to be an important gateway between the southern Philippines and the Labuan Island of Malaysia and Brunei.

The government is also constructing a $50 million international airport in the South Cotabato-Sarangani-Gen. Santos City growth area to meet future transportation requirements with other member countries of the East ASEAN Growth Area, while a loan with the Asian Development Bank is being secured for the upgrading of the Davao City International Airport.

The telecommunications requirements of the entire Mindanao region is currently being addressed by the Philippine Long Distance Telephone Co. through its "Zero Backlog" project.

Earlier in the day, the president unveiled the $800 million Jacinto Integrated Iron and Steel Mill project in Tagaloan, Misamis Oriental. He said the project would eventually generate some 25,000 jobs for the area, as well as provide needed steel requirements nationwide.

Economy Grows at 5.4 Percent for Second Quarter

BK0109064494 Quezon City Radio Filipinas in English 0230 GMT 1 Sep 94

[Text] President Ramos today reports that the Philippine economy grew by 5.4 percent during the second quarter of 1994. Gross domestic production also grew by 4.5 percent from 3.7 percent during the same period. The improved economic outlook was attributed to the agricultural sector, that achieved a dramatic 5.4 percent growth from its previous negative and zero or seven performance. [sentence as heard]

The president said real growth in agriculture was (?record) in the increased production of oil, palay [unhusked rice], livestock and other agricultural activities during the second quarter as a result of favorable climate.

The export and investment sector was also sustained due to the higher gross domestic capital formation and gross exports of the private sector. The public policy measures of the government and the improved infrastructure and power situation were favorably well taken by the private sector, which continues to increase its production.

The government is considering an increase in the allocation of funds for the agricultural sector. That sector is expected to be unaffected by the GATT's ratification. President Ramos ordered to study on the possible increase in the meeting with the legislative- executive development advisory council.

Thailand

Prime Minister Returns From Japan With 'Success'

BK0809081494 Bangkok Radio Thailand Network in Thai 0000 GMT 8 Sep 94

[Excerpts] Prime Minister Chuan Likphai returned to Thailand from Japan last night with a success in the further strengthening of relations between Thailand and Japan and the expanding of their cooperation in trade and investment.

The prime minister reported that during his official visit to Japan he was granted an audience with the Emperor and Empress of Japan. [passage omitted]

The prime minister also held an official discussion with the Japanese prime minister on bilateral relations, especially on trade, in which Thailand's trade deficit with Japan is 80 percent of its combined trade deficit with various countries. [passage omitted]

On the same occasion, the prime minister also urged Japan to provide assistance to Thailand in the development of human resources, an area in which Thailand is presently lacking. [passage omitted]

Further on Deportation of Al-Arqam Members

Chawalit Seeks Explanation

BK0809060294 Bangkok BANGKOK POST in English 8 Sep 94 p 8

[Text] Interior Minister Chawalit Yongchaiyut yesterday strongly questioned the deportation of members of the Al-Arqam Muslim sect to Malaysia, saying he wondered who gave Police Chief Prathin Santipraphop the order to take such action and the reasoning behind it. On his return from China Gen Chawalit said he would question Pol Gen [Police General] Prathin on the issue. The minister was briefed on the situation by Interior Permanent Secretary Ari Wong-araya who was on hand to receive him at Don Muang Airport.

"Pol Gen Prathin has to report to the ministry. We have to ask him why he took such action and who ordered him to do so," Gen Chawalit said.

Pol Gen Prathin has been under fire since seven Al-Arqam sect members, including their leader Ashaari Muhammad were deported to Malaysia last weekend. Thailand also came under heavy criticism from human rights groups as well as the Opposition in Malaysia for the action.

Deputy Interior Minister Den Tomina, a Muslim member of the Cabinet, lashed out at Pol Gen Pratin, saying the police chief ordered the deportation without reporting to the ministry. Mr Den said the action made Thailand the target of criticism and that the police knew the deportation would result in the sect members being arrested on their arrival in Malaysia.

Prime Minister Chuan Likphai and Foreign Minister Prasong Sunsiri said in Tokyo that they knew only that the sect members were apprehended simply because their passports had been revoked.

Gen Chawalit said that it was normal for the police to arrest foreigners without a proper passport.

"But was it necessary to deport them there (Malaysia)? Why were they not sent where they wanted to go? Did they ask for political asylum? We have many questions to ask him," the minister said.

"Pol Gen Prathin is a PHU YAI [senior], he has to know what he should and should not do, especially on a sensitive matter like this one."

The minister suspected that Pol Gen Prathin might have taken an order from someone before taking such action.

"We want to know who he took the order from. We have to find out whether or not Pol Gen Prathin reported to the ministry. If not, why? Was it a matter so secret that the ministry could not be told?" Gen Chawalit said.

The House Foreign Affairs Committee will invite a number of people to testify in connection with the deportation of the sect members at its meeting next Wednesday.

Committee spokesman Sutham Saengprathum said Sqn Ldr [Squadron Leader] Prasong, Gen Chawalit, Pol Gen Prathin, National Security Council secretary general Charan Kunlawanit and a representative of the National Intelligence Agency would be invited.

Mr Sutham said the committee did not believe the sect members posed a threat to national security while in Thailand. He said the committee felt Pol Gen Prathin's order to apprehend and deport them raised a lot of questions which needed to be answered.

Officials Justify Deportation

BK0809133994 Bangkok Radio Thailand Network in Thai 1200 GMT 8 Sep 94

[Text] Foreign Minister Squadron Leader Prasong Sunsiri has spoken with newsmen on the deportation of the al-Arqam members, whose passports were invalidated by the Malaysian Government. He said that because their passports had been revoked, they could not legally stay in Thailand.

[Begin recording] [Prasong] Thailand did not prohibit the business and religious activities of the al-Arqam group in Thailand. Thailand allows freedom to practioners of every religion, as long as they do not violate Thai law. The al-Arqam case become an issue because the passports of the members were revoked. We were not the party which revoked the passports. The police took action under the law once it became an issue.

Once the passports were revoked, in principle they had no documents with which to travel to any country. The revocation of the passports is a problem for the al-Arqam leaders themselves. The revocation does not mean that they lose their Malaysian citizenship. As I understand it, once no country accepted the al-Arqam leaders because they had no passports or travel documents, they, as Malay citizens, had to return to Malaysia. That is the only solution for the problem. [end recording]

In connection with the deportation by the police, Police General Prathin Santipraphop gave assurances that the police action, which was requested by the Malaysian authority, was correct.

[Begin recording] [Prathin] The Malaysian (?Embassy) informed the Police Department and asked for cooperation. To comply, I issued instructions for our policemen to act in cooperation with the Malaysian officials [words indistinct]. The revocation of the passports was done by the Malaysian authorities against the Malaysian citizens concerned, and Malaysian officials came to take away those people. [sentence indistinct] Our policemen did not make the arrest or anything. This is because once the passports were revoked, the people concerned could not stay legally in Thailand. The law says that the embassy must issue travel documents for any people concerned. They were then taken to Malaysia once travel documents were issued for them. The action of the police was nothing out of the ordinary. [end recording]

Editorials Criticize Deportation

BK0809024494

[Editorial Report] Three Thai-language newspapers, SIAM POST, KRUNGTHEP THURAKIT, and THAI RAT, publish on 6 and 7 September editorials commenting on Thailand's arrest and deportation of the al-Arqam Islamic sect leader and other members for bearing invalid passports.

The 800-word editorial on page 4 of the 6 September SIAM POST titled "The al-Arqam Issue" says the arrest and deportation of sect leader Ashaari Muhammad and other members on 2 September was presumably carried out at the request of the Malaysian Government. Malaysia banned the sect as an outlawed group, accusing it of preaching a deviationist faith. It asked Thailand to confirm reports of training with weapons.

Contrary to the accusations, the group has won growing sympathy from the Malaysian people, especially in Kelantan and even in Kuala Lumpur. "The Malaysian Government's request that Thai police arrest and deport the al-Arqam leader and 10 group members could stem from a fear that the movement might support the rival Pan Islamic Party. This move will backfire and reflect negatively on both Malaysia and Thailand. Thailand especially will be exposed to condemnation by human rights activists," the editorial says.

KRUNGTHEP THURAKIT publishes on page 2 of its 6 September edition the 800-word editorial "Mistake or Ignorance, Another Lesson for Thailand." The editorial notes that cooperation by Thai authorities in the arrest and deportation of the al-Arqam leader has stirred up strong discontent among Malaysian and international human rights activists. Malaysia invoked its Internal Security Act against the al-Arqam leader, meaning he could be held without charges for at least two years.

The editorial notes: "At first, it seemed the Thai leaders well understood that the al-Arqam problem was an internal political problem between the sect leader and Prime Minister Mahathir Mohamed, who feared that the expansion of the group could threaten the 'political power' long controlled by the UMNO [United Malay National Organization] party. There was a change of heart, however, and authorities in Thailand agreed to arrest and deport the al-Arqam leader. This means Thailand is being used as a tool by the Malaysian prime minister to get rid of his political enemy." The move by the Thai Government constitutes a violation of human rights. It also reflects a foreign policy mistake, similar to previous mistakes made concerning the cases of East Timor and Aung San Suu Kyi. An excuse given by the Foreign and Interior Ministries that they had not been informed in advance by the police only underlines a lack of responsibility and a clear-cut policy.

The 7 September THAI RAT's 800-word editorial on page 3, titled "A Tool of Mahathir," says: "It could be either Thailand's sincerity toward Prime Minister

Mahathir or poor analysis by Thailand of this matter, which has led the government to make the mistake of sending the al-Arqam leader to Malaysia. "Fierce political fighting is going on in Malaysia. There have been all kinds of efforts to destroy and discredit one another. There have been efforts by the UMNO party, which has been in power for a long time, to block the al-Arqam group from gaining more popularity and becoming a political rival, despite the al-Arqam group not being registered as a political party yet," the paper says.

The Malaysian Government has exploited Thailand's sincerity and used it as a tool to get rid of its rival without caring about the damage done to Thailand in the eyes of the rest of the world. The move has earned Thailand accusations of human rights violation. "We believe that, as Thailand has been exploited by the Mahathir government to this point, it is very necessary for Thailand to make public all contacts and requests from Malaysia regarding actions to be taken with the al-Arqam group. We must admit that we have made a mistake regarding our actions relating to the cancellation of the passports of Ashaari and his followers. Since we knew that Ashaari was a politician, what Thai authorities should have done was just to expel him to another country," the paper says.

More Press Reaction Surveyed

BK0809095994

[Editorial Report] Bangkok MATICHON in Thai and Bangkok NAEO NA in Thai on 8 September publish editorials commenting on the arrest and deportation of senior members of the outlawed al-Arqam Islamic sect by Thai police on 2 September.

MATICHON's 400-word editorial, on page 2, entitled: "The al-Arqam Case," says "The police have become the target of criticism for having handed over al-Arqam leader Ashaari to Malaysia as if he were extradited as a criminal. The al-Arqam case is a matter of differences of opinion and should be treated as a political issue. For this reason, the action taken by Thai police was condemned by human rights advocates. The correct action would have been to send the sect leader to a country of his own choice.

"Everyone still wonders if the government, and particularly the ministries concerned, were fully aware of Ashaari's deportation, because the incident took place while the prime minister, foreign minister, and interior minister were out of the country. High-ranking officials of both the Foreign and Interior Ministries claimed that they knew nothing about the action taken against Ashaari Muhammad."

The editorial quotes the prime minister and foreign minister as telling reporters in Tokyo that the sect members and its leader could not stay in Thailand after their passports were revoked by the Malaysian Government and notes that the al-Arqam sect has been a "double-edged sword" for Thailand because it can have an adverse impact on the good relations between the two countries.

The editorial points out in conclusion that "if such an action was taken with a green light from the ministers concerned, it is an indication of the strong cohesion among the ASEAN governments and their mutual sympathy and cooperation in solving the internal problems of each country."

NAEO NA's 350-word editorial on page 2, entitled: "Al-Arqam and Principle," says: "Police General Prathin Santipraphop, director general of the Police Department, has become a scapegoat, as he is being condemned for the arrest and deportation by immigration police of al-Arqam Muslim sect leader Ashaari Muhammad and 10 other sect members in Chiang Mai on 2 September."

Reviewing the background of the banned Islamic sect, the editorial notes: "The detention of Ashaari and his followers by the Malaysian Government is considered political persecution, and the country that sent Ashaari and his colleagues to face the unfortunate plight must be condemned for its mercilessness and disregard for human rights. This issue is so delicate that both the Interior and Foreign Ministries have had to publicly deny their involvement in the matter and alleged that the police took the action on their own intitiative. Whether that was true or not is unimportant. The consequence is that Thai embassies in many countries have received inquiries about the Thai Government's position on the issue of human rights. The image of the government does not look good at all. Both Thai and foreign human rights organizations are criticizing the Thai Government and calling on the Malaysian Government to release Ashaari and his colleagues." The Foreign Ministry should bring up the issue of human rights for thorough discussion and decide our direction and position to which we must firmly adhere so that Thailand can stand up with pride on the regional arena.

Prime Minister Chuan Receives PRC Trade Delegation

BK0309152794 Bangkok XING XIAN RIBAO in Chinese 31 Aug 94 p 7

[Text] Prime Minister Chuan Likphai received a trade observation delegation from Shantou township in Guangdong Province at Government House on the afternoon of 29 August. Prime Minister Chuan shook hands with all the members of the delegation and held cordial talks with the delegation led by Xu Deli, secretary of the Shantou Municipal Chinese Communist Party Committee. Also present at the meeting were Deputy House Speaker Thawin Phraison and Fang Qinsong, adviser to the president of Parliament.

During the talks, Prime Minister Chuan welcomed the visit to Thailand by the Shantou trade observation delegation. Xu Deli thanked the Thai prime minister for coming to receive the delegation despite being very busy. He said that this was a great honor for the delegation. The reception also indicated the prime minister's friendly feelings toward the people of Shantou and China. When Xu Deli invited Prime Minister Chuan to visit Shantou, Chuan replied that he had heard the name of Shantou, but had had no chance to visit it. He felt greatly honored by the invitation to visit Shantou and said he would pay the visit as soon as possible.

Xu Deli told Prime Minister Chuan that Shantou is an coastal open city in Guangdong Province. It is one of the five major special economic zones. It has recorded certain achievements under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics and the open policy. The investment atmosphere in Shantou has improved in recently years. The investment atmosphere there will be further improved after the construction of the Shantou-Shenzhen highway, the Guangzhou-Mei Xian-Shantou railway, the Haiwan bridge, a big electricity plant, and a deep seaport. Xu Deli also praised Thailand's economic development. He hoped that more Thai entrepreneurs would go to invest in Shantou and that entrepreneurs from Shantou would come to Thailand for trade and technological cooperation.

Prime Minister Chuan greatly admired the economic reform and development achievements recorded by China and Shantou. He said that China had achieved outstanding results through economic reforms and the open policy. It has registered the most rapid economic development in the world. Every country has its own potential in economic and technological cooperation. Chuan said he had encouraged Thai businessmen to invest in China and also welcomed Chinese investment in Thailand. The two sides agreed to further strengthen economic and technological cooperation and bilateral relations. Prime Minister Chuan also exchanged souvenirs with the delegation and had his picture taken with them.

The Shantou economic observation delegation is on a friendly visit to Thailand under the invitation of the House of Representatives. In the evening of 29 August, Deputy House Speaker Thawin Phraison hosted a banquet in honor of the delegation at the World Trade Center. About 20 Thai businessmen also attended the banquet. Thawin will lead a delegation of Thai businessmen to visit Shantou at the end of this year.

Minister Receives Delegation From PRC's Tianjin

BK0309134594 Bangkok XING XIAN RIBAO in Chinese 2 Sep 94 p 7

[Text] Thai Commerce Minister Uthai Phimchaichon received and held cordial talks with the Tianjin municipal delegation at 1700 yesterday.

Commerce Minister Uthai welcomed the visit to Thailand by the Tianjin delegation. He said that China has achieved fast economic development after implementing economic reforms and an open door policy. China is a large market with great potential. Tianjin has bright development prospects as it is one of the most important ports in China. Uthai believes that Thailand and China, and Thailand and Tianjin, will further strengthen their bilateral trade and economic cooperation. He also wished that the visit by the delegation will be completely successful.

During the meeting, delegation chief Gao Dezhan, supreme adviser to the Tianjin Municipal People's Government, praised Thailand, calling a beautiful and prosperous country. Thailand has achieved fast economic development in recent years, and he is greatly honored to be invited to visit. He hoped that during the visit he will learn from Thailand's economic development experience, visit old friends, and develop new friendships in order to help strengthen friendly cooperation between Thailand and China, especially between Thailand and Tianjin.

Gao Dezhan also announced that Tianjin is the biggest trade, financial, and industrial center among the three major municipalities in northern China. It is rich in natural resources and its communications network is convenient. Therefore, it has bright prospects for development. It has vigorously strengthened economic, technological, and investment cooperation with foreign countries in recent years.

During the talks, the two sides exchanged views on economic, trade, and investment cooperation between Thailand and Tianjin. The two sides also believe that bilateral relations will be further strengthened in the future.

Article Questions Cambodian Coup Involvement

BK0809092494 Bangkok THE NATION in English 8 Sep 94 p A6

[Article by THE NATION Regional Desk: "Questions Linger About Coup Involvement"]

[Text] Alleged Cambodian coup plotter Prince Norodom Chakkrapong has arrived in France but questions remain about his stay in Thailand and its failure to come to the official notice of Thai authorities, notably the Foreign Ministry and the National Security Council (NSC).

The prince, the estranged half brother of Phnom Penh First Prime Minister Prince Norodom Ranariddh, was said to have departed for France a few days after arriving in Bangkok. In the immediate aftermath of the failed coup attempt in Phnom Penh in late July he was sent by the Royal Cambodian Government to Malaysia where he remained until his arrival in Thailand on August 4.

When Chakkrapong's presence on Thai soil came to the attention of the news media, Foreign Minister Prasong Soonsiri told reporters that Chakkrapong would remain for just a few days and was scheduled to leave for Paris on August 7. However, the prince was seen after the August 7 deadline shopping, dining at hotels and visiting his Thai friends in the capital and in Chiang Mai. It was surprising that Prasong, a former intelligence chief, claimed not to have known about this.

The Phnom Penh government knew that Chakkrapong was sheltering in neighbouring Thailand, but could do nothing to pressure Bangkok to expel the prince and it has yet to lay any charge against him in connection with the coup attempt.

Prince Chakkrapong was spotted at many places by government officials, including a very high-ranking staff member of the National Security Council (NSC) in a hotel on Silom Road. That official was seen leaving a dining room immediately as Chakkrapong arrived just to avoid being seen with the prince.

A key question is which government agencies allowed him to stay in Thailand and for what reasons. When Prasong was asked whether Thai authorities would interview the prince about possible involvement in the abortive coup of 14 Thais then being held in Phnom Penh, he said that he and his ministry had no duty to do so. So, who was supposed to be in charge of talking to Chakkrapong— NSC Chief Gen Charan Kunlawanit or Interior Minister Gen Chawalit Yongchaiyut?

How was it possible that such a prominent Cambodian figure can take shelter here without government agencies being aware of it? Worse still, many senior political and government officials, including Prasong and Police Chief Pol Gen [Police General] Prathin Santipraphop, told the public that he had left as promised when in fact he was still on Thai soil.

A senior Foreign Ministry official told THE NATION that almost immediately after hearing his minister claim on television that Chakkrapong had departed, he learnt about the continued presence off the prince in Bangkok.

Political observers are fond of saying, cynically, that anything can happen in Cambodia. Under the present circumstances, the same thing can be said about Thailand.

Who kept Chakkrapong here? Not the police, certainly. Pol Gen Prathin was seen at the VIP building of Bangkok Airport last week with the purpose of ensuring that the prince was actually leaving for Paris. He said he would see his "old friend" off, unluckily, the prince checked in as ordinary passenger, not as a VIP, so the police chief missed his old friend. It was astonishing to see Prathin walking around the airport searching for the prince for about an hour.

When looking ahead and back on the bilateral relations between Thailand and Cambodia, the only threat is the continued resistance of Khmer Rouge guerillas. The fighting between the guerillas and the government troops has brought about insecurity along the Thai border, leading to a series of temporary evacuations of Thai villagers from the border to safer areas.

Sophisticated wars between Cambodians cannot be avoided because the government has a legitimate right to suppress the guerillas following a recent Act of Parliament which declared them outlaws.

The Cambodian government has shut the door for the faction members, although it has agreed to a six-month amnesty period for Khmer Rouge rank-and-file members. Its leaders are not covered.

Thailand has repeatedly said that it did not want to see the Khmer Rouge locked out of Cambodia's administration. Cambodian First Prime Minister Prince Ranariddh has changed his position on the Khmer Rouge, after saying before the general election last year, and shortly after, that he would like to see the rebels become part of the government and rejoin the community.

If the coup led by Chakkrapong and his accused coplotter Gen Sin Song had succeeded, Thailand stood to gain peace along the border and possibly closer ties with Cambodia, as the prince is known to be loyal to his father King Norodom Sihanouk.

The Cambodian king had earlier aired his strong opposition to the bill that outlawed the Khmer Rouge. He is currently a constitutional monarch, but if he is given administrative power, the door will certainly re-open to the Khmer Rouge.

To secure lasting peace along the Thai border under the present change of policy by Prince Ranariddh's government, the Thai security agencies could re-examine their previous and current evaluation of the situation.

Who is the more suitable Cambodian leader for Thailand to deal with—Prince Sihanouk or his co-premier, Hun Sen?

Bangkok was asked twice about its attitude to the possibility of the present government being toppled by a coup, the source said, confirming reports that Prince Chakkrapong had travelled to Thailand to survey the level of interest in the coup. The source declined to reveal the name of another leading figure in Cambodian government who also visited Bangkok for same purpose, saying that he is still in a powerful position in Phnom Penh with a lot of police in hand.

After being invited to join the coup, the government sought information from many officials and private citizens before making its decision. The source did not say what the decision was, but jokingly claimed that Thailand has had experience of many coup plots and was unlikely to fail.

Other interesting questions are which government agency did the prince talk to, who has sufficient intelligence information to decide on such a proposal, and who has sufficient authorization to join a plot of this kind?

And if a decision was made in favour of Chakkrapong's request, was it for the benefit of Thailand's national interest or personal interests?

Thai authorities, including the military, have stood firm to their claim that no Thais were involved in the coup attempt which saw 14 Thai nationals arrested and a few Cambodian generals detained for interrogation.

However, data obtained following the incident showed more and more conflicting information, including differing claims about the role of High-Tech Antenna company based in the Rangsit area that said 13 of the 14 detained Thais were hired for a survey mission in Phnom Penh and other provinces.

Five Thais who released and returned to Bangkok last month denied any knowledge of the company. Cambodia has sought Thai permission to "interview" some 14 further 3 Thais suspected of playing a major role in the activity leading to the coup bid.

However, international laws do not allow; interviews to be conducted against their will. The case will be dragged on for some time yet; so far the investigation has focused on the Thai side while the Cambodia government has remained silent. If some Thais really were involved in the coup attempt, they are believed to have had only a limited role with Cambodians struggling for more power cast as the real masterminds.

Cambodia's Defence Minister Gen Tea Banh recently admitted that the abortive coup is an internal matter planned by Cambodians with help from some Thais.

The five Thais who have been released by Cambodian authorities and those still held in Phnom Penh and facing life imprisonment on charges of threatening Cambodia's security, seem to be only the victims of power seekers and betrayers in both countries.

Gem Mining Halt Hurts Cambodia Border Economy

[Editorial Report] The 24 July NAEO NA reported that fighting in Cambodia has hurt the economy of Trat Province's Bo Rai District. The gem deposits in Bo Rai have been exhausted and with no supplies of "raw material" coming from Cambodia, gem dealers have moved away. Trat Deputy Governor Metha Ratanakon said that "when fighting in Cambodia ends, mining concessions in areas now off-limits can be granted. This will revive Bo Rai's economy."

Lao Refugees Urged To Join Repatriation Plan

BK0709044194 Bangkok THE NATION in English 7 Sep 94 p A1

[By Wina Chantrong]

[Text] The Interior Ministry has begun a campaign to convince Laotians in a refugee camp in Nakhon Phanom province to participate in a joint repatriation programme as the deadline for the first group to register approaches.

Deputy Permanent Interior Secretary Chaloem Phromloet said yesterday that the ministry had set a September 30 deadline for the first 5,000 Laotians in Na Pho refugee camp to register to return home.

"So far about 3,000 refugees have expressed a wish to go home under the programme. The remainder are being advised that there is no third country willing to receive them for resettlement. They are being advised that they should go back to Laos, where facilities are being arranged for their resettlement," said Chaloem.

He said Interior Ministry would not allow any foreign embassy officials or foreign organizations to give assistance to the refugees. Camp residents who did not sign up before the deadline would be regarded as illegal immigrants and would face legal action in due course.

Those who registered for repatriation before September 30 would be given money and basic necessities to carry them through the first period of their resettlement in Laos.

Meanwhile, the ministry is hunting a group of the Laotians who secretly lobbied their countrymen to reject the repatriation programme.

"Nakhon Phanom Governor Sutcharit Patchimnon has been assigned to keep a close watch on those who tried to persuade the others not to return home. Some used threats to keep people out of the programme," he said.

The repatriation programme has been jointly agreed to by the UN High Commission for Refugees (UNHCR) and Thai and Lao authorities.

Chaloem said those who refuse to go back to Laos would be moved to somewhere else in Thailand. Neither NGOs nor the UNHCR would be allowed to assist them.

Aid to Iraq Approved; Accords With Canada, UK

BK0709075394 Bangkok Radio Thailand Network in English 0000 GMT 7 Sep 94

[Text] The Thai Government plans to sign crime prevention treaties with the Governments of Canada and the United Kingdom. The Cabinet yesterday approved the proposal of the Ministry of Foreign Affairs to enter into agreements on mutual assistance and cooperation in crime prevention with the two countries.

The Ministry of Foreign Affairs says the treaties will be of mutual benefits to signatories. According to the treaties, Thailand will render cooperation in investigation and interrogation, warrant issuance, property seizure, deportation of criminals, as well as in the search of criminals in hiding.

The Cabinet also approved the Ministry of Foreign Affairs' proposal to give humanitarian aid to Iraq. Iraq citizens are suffering from shortage of food and medicine since the United Nations imposed economic sanction against that country. The United Nations has recently allowed the member countries to provide humanitarian aids to Iraq.

Vietnam

India's Rao Concludes Visit; Statement Issued

BK0809032394 Hanoi Voice of Vietnam in English 1000 GMT 7 Sep 94

[Text] Indian Prime Minister Narasimha Rao and his entourage left Hanoi Wednesday morning, concluding their official visit to Vietnam.

On this occasion, the two sides issued a joint press statement. The statement expressed satisfaction at the achievements scored by the Vietnamese and Indian people in all fields in the process of renovation in Vietnam and the comprehensive and far-reaching economic reform in India.

India welcomed the prospect of Vietnam becoming a full member of the Association of Southeast Asian Nations, or ASEAN, which should help to further and enhance peace, stability, cooperation, and development in Southeast Asia and the world over.

Vietnam supports the increasing important role played by India in the world, highly values India's foreign policy and its endeavors for further boosting ties with its neighboring countries, creating an atmosphere of mutual understanding, and intensifying cooperation in South Asia.

The statement said: Both sides noted with satisfaction that the bonds of traditional friendship and multifaceted cooperation between Vietnam and India have been consolidated and developed unceasingly in the interests of their respective peoples. This constitutes a positive contribution to peace, cooperation, and development in Asia and the world over.

In the light of this [word indistinct], the two sides signed an agreement on avoidance of double taxation, an agreement on travel facilities for the citizens of the two countries, and a memorandum of understanding on cooperation between the two Foreign and External Affairs Ministries of the two countries, and a protocol on cooperation in defense field.

Both sides held the view that these cooperations constitute a firm basis for further expanding the implementation of high-level agreements between the two countries.

Text of Joint Statement

BK0709131194 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 7 Sep 94

[Joint statement on visit by Indian Prime Minister Narasimha Rao issued in Hanoi on 7 September]

[Text] 1. At the invitation of SRV Prime Minister Vo Van Kiet, His Excellency Narasimha Rao, prime minister of the Republic of India, paid an official friendship visit to Vietnam from 5-7 September.

2. His Excellency Narasimha Rao paid a courtesy call on party General Secretary Do Muoi, President Le Duc Anh; and Pham Van Dong, adviser to the Communist Party of Vietnam Central Committee.

Prime Minister Narasimha Rao also paid a floral tribute to President Ho Chi Minh at his mausoleum and visited his residence and office.

3. His Excellency Narasimha Rao held talks with His Excellency Vo Van Kiet in a cordial atmosphere of understanding and mutual trust. Attending the talks on the Vietnamese side were His Excellency Nguyen Manh Cam, minister of foreign affairs; His Excellency Le Xuan Trinh, minister and head of the government office; His Excellency Dang Huu, minister of science, technology, and environment; His Excellency Ho Te, minister of finance; and other high-ranking officials. Present on the Indian side were His Excellency Chaturvedi, minister of state in the prime minister's office; His Excellency Bhatia, minister of state for external affairs; His Excellency Bajaj, professor and member of the planning commission; and other high-ranking officials.

4. The two sides informed each other of the situations in their respective countries, reviewed the implementation of various agreements between their high-ranking leaders, discussed the orientations and effective measures to be taken to spur and enhance the multifaceted cooperative relations so as to successfully carry out the renovation and reform in their respective countries.

Both sides expressed satisfaction at the achievements scored by the Vietnamese and Indian peoples in various fields in the process of renovation in Vietnam and the far-reaching and comprehensive economic reform in India.

India welcomed the prospect of Vietnam becoming a full member of the Association of Southeast Asian Nations, ASEAN, as this would help consolidate and enhance peace, stability, cooperation, and development in Southeast Asia and the rest of the world.

Vietnam supported the increasingly important international role played by India and highly valued the foreign policy of India and its endeavors to boost ties with its neighboring countries, to create an atmosphere of understanding, and to intensify cooperation in South Asia.

The two sides exchanged views and achieved substantial congruence of views on various regional and international matters of mutual concern.

5. Both sides noted with satisfaction that the traditional friendly relations and the multifaceted cooperation between Vietnam and India have continued to be consolidated and developed satisfactorily in the interests of

their respective peoples. This constitutes a positive contribution to peace, cooperation, and development in the region and the rest of the world.

In the light of this spirit, the two sides signed agreements on avoidance of double taxation and travel facilities for citizens of both countries, a memorandum on consultations between the foreign ministries, and a protocol on defense cooperation.

Both sides believed that these documents constitute a good basis for further expanding the implementation of high-level agreements.

6. General Secretary Do Muoi, President Le Duc Anh, and Prime Minister Vo Van Kiet expressed their sincere gratitude to the government and people of India for their wholehearted support and great assistance to the Vietnamese people in their struggle for the maintenance of national independence in the past, as well as for their national construction at present.

The Vietnamese leaders highly valued this visit by Prime Minister Narasimha Rao, viewing this important event as a new development in the history of Vietnamese-Indian relations.

7. Prime Minister Narasimha Rao expressed his sincere thanks to the government and people of Vietnam for the warm welcome they accorded his delegation.

Prime Minister Narasimha Rao's visit concluded successfully, thus helping further strengthen the traditional friendship and multifaceted cooperation between the two countries.

Prime Minister Narasimha Rao invited Prime Minister Vo Van Kiet to pay an official visit to India. Prime Minister Vo Van Kiet expressed his thanks and accepted this invitation with joy.

[issued] Hanoi, 7 September 1994

Rao Meets With Intellectuals, Departs

BK0809042294 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 7 Sep 94

[Text] Indian Prime Minister Narasimha Rao, now on a visit to Vietnam, received Vietnamese intellectuals at the presidential palace this morning.

The prime minister pointed out the importance of the need to further expand the cultural and art exchanges between the two countries, to develop the valuable folk cultural traditions of their respective countries, and to multiply such valuable assets.

On the same day, representatives of India and Vietnam signed a series of important documents. These documents include an agreement on avoidance of double taxation signed by Finance Minister Ho Te and Bhuvanesh Chaturvedi, minister of state in charge of the prime minister's office; a protocol on defense cooperation signed between Deputy Defense Minister Nguyen Thoi Bung and the minister of state in charge of the Indian prime minister's office; an agreement on travel facilities for citizens of both countries signed by Foreign Minister Nguyen Manh Cam and Minister of State for Foreign Affairs Bhatia; and a memorandum on consultations between the two foreign ministers signed by Nguyen Manh Cam and Bhatia.

Present at the signing ceremony were Prime Ministers Vo Van Kiet and Rao, representatives of various Vietnamese ministries and sectors, and the distinguished guests in the Indian delegation.

The official send-off ceremony for the Indian prime minister and other distinguished Indian guests accompanying him were held at the reception hall of the presidential palace.

Prime Minister Rao again expressed his joy at having a chance to visit Vietnam at a time when the renovation process is making satisfactory progress. He once again expressed his gratitude for and deep emotion over those valuable and warm sentiments reserved for his delegation by the Vietnamese leaders and people.

Prime Minister Rao said the potential for the development of Indian-Vietnamese relations is still great and can be effectively deployed in the future. He expressed the hope that this visit will be a new step toward promoting that relationship.

Vo Van Kiet also spoke, stressing the significance of the visit to Vietnam of Prime Minister Rao and expressed his belief that India's economic reform would produce better results so as to improve the lives of the Indian people and to contribute duly to the maintenance of peace in the region and the rest of the world. Vo Van Kiet and other high-ranking Vietnamese leaders escorted His Excellency Prime Minister Rao and other distinguished Indian guests to their motorcade and reluctantly bid farewell to these emissaries of Indian-Vietnamese friendship.

Radio Reviews Economic Relations With India

BK0809044494 Hanoi Voice of Vietnam in English 1000 GMT 7 Sep 94

[Text] Indian Prime Minister Narasimha Rao has left Hanoi with the determination to continue developing Indian traditional friendship with Vietnam in politics, economics, culture, and education. The Indian prime minister was accompanied by a group of businessmen to explore possibilities for investment in Vietnam. The Indian businessmen exchanged views with their Vietnamese counterparts. Here is a review of the Vietnam-India economic relations.

The Indian Government has been providing aid and assistance for many years to Vietnam in the latter's economic development. India has sent many specialists to Vietnam to help boost agricultural development, especially the establishment of the [word indistinct] Rice

Institute and Song Be Dairy Buffalo in southern Vietnam. India has been training hundreds of Vietnamese specialists as post-graduates in [word indistinct] areas. Two-way trade between Vietnam and India is [numeral indistinct] million U.S. dollars annually. In 1989-90 alone, the figure amounted to $150 million. The trade balance between the two countries can be increased within the potential of each country.

A common obstacle in trade relations between Vietnam and India is that Vietnam does not have the suitable exchange system, the direct key route, and the direct channel to transfer money between banks of the two countries. The two sides decided in early 1992 to expand trade cooperation by the commercial [word indistinct]. India decided to reschedule Vietnam's debt by allowing Vietnam to repay the debt for goods. The two sides also decided to extend the economic ties to telecommunication equipment, transport vehicles, and handicraft and fine arts articles. In the last two years, more and more Indian businessmen have come to Vietnam and many large enterprises have opened representative offices in Vietnam, including (IBC, Tuto, BIA Ltd. and so forth). An oil exploration and exploitation contract between the ONGP Group of India and PetroVietnam has been operational since 1988. Initial results show that Vietnam's petrol has the highest quality of hydrocarbons. India and Vietnam also cooperate in building high rise buildings in Hanoi.

The visit to Vietnam by the Indian prime minister and business representatives promotes and extends bilateral cooperation by mutual interest.

Commentary Views Recent Visits by Asian Leaders

BK0809130794 Hanoi Voice of Vietnam in English 1000 GMT 8 Sep 94

[Text] Diplomatic activities in Vietnam in August and early September have drawn much attention. They included visits by prime ministers of Japan, South Korea, and India. Here is our review:

Japan and South Korea have [words indistinct] in national economic construction. They are called dragons of Asia. India is also a country in Asia-Pacific region which has gained great results in economic reform. All three countries have important positions in this region. The visits by the government leaders of the three countries to Vietnam within the last 10 days demonstrate the development of relations between Vietnam and these countries.

The Vietnam-Japan relationship has undergone ups and downs, but since October 1992 it has made steady development. For the first time Japan resumed its official development aid to Vietnam, with $380 million in 1992-93 fiscal year, and the aid has increased year after year. Then at the Paris Club, Japan together with France were leading those countries which had granted loans to Vietnam to clear its debts. Due to the move Vietnam is now entitled to loan from international monetary organizations. Leading Japanese industrial groups such as Toyota, Sony, and Toshiba are present in Vietnam. Japan is expected to become the biggest investor in Vietnam. During his visit the Japanese prime minister announced $77 million of nonrefundable aid to Vietnam and committed to continue its relations with Vietnam in both political and economic fields.

During his visit to Vietnam, the prime minister of South Korea also committed to increase official development aid to Vietnam and affirmed that his country considers Vietnam a priority cooperation partner.

The latest visit, by Prime Minister Narasimha Rao of India, was made with warm sentiments. Vietnam is not a new country to the Indian prime minister. Two years ago he paid an official visit to Vietnam as the Indian foreign minister and was welcomed by high-level Vietnamese leaders. During their meeting this time in Hanoi, Prime Minister Rao and Vietnamese leaders recalled foreign relations between the two countries. Mr. Rao said Vietnam remains an important partner of India and that Vietnam was given priority in India's foreign policy.

The visits by the three leaders of Japan, South Korea, and India further enhance the cooperation and development in the region. The renovation process and the open door policy pursued by Vietnam is also enhancing this process.

Minister Lodges UN Protest on Cambodia Law

BK0609070794 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Sep 94

[Text] Foreign Minister Nguyen Manh Cam on 30 August wrote a letter to UN Secretary General Butrus-Ghali and to Mrs. Ogata, UN High Commissioner for Refugees, on the recently-passed Cambodian immigration law.

In the letter, our foreign minister expressed the profound concern and apprehension of the Vietnamese people both at home and abroad, and that of international public opinion, at the Cambodian Parliament's passing on 26 August of the new immigration law, consisting a number of provisions whose implementation will bring unpredictable consequences to Vietnamese residents, people who have been peacefully living and observing the laws of Cambodia, are closely attached to the land and people of Cambodia, and who have genuinely contributed to the development of Cambodia.

The letter also pointed out the concern of the public about the possibility of foreign residents in Cambodia in general and Vietnamese in particular, who have been residing in Cambodia for a very long time, being rounded up, screened, and expelled en masse. In an even more dangerous situation, they could become targets of genocidal killing by the Khmer Rouge, and this possibility runs counter to the principles of the UN Convention and other international conventions and documents on human civil rights and basic freedoms. It also runs counter to the provisions of the Paris Agreement on Cambodia.

Against that background, our foreign minister urgently requested the UN secretary general and the head of UNHCR, within their authority and responsibility, to intervene as necessary with the parliament and Government of Cambodia to protect the basic rights of the Vietnamese community in Cambodia, including the right to live in peace, stability, and security in accordance with the basic standards and principles of international law and practices and under the provisions of the Paris Agreement for Cambodia, which should be respected by both the international community and Cambodia.

People 'Worried' by Cambodian Killings

BK0809152194 Hanoi Voice of Vietnam in English 1000 GMT 8 Sep 94

[Text] Another four Vietnamese nationals living in Cambodia were murdered on Monday. At midnight 5 September, a group of more than 30 armed men travelling in 10 engine boats [numbers as heard] attacked the Prek Dam Commune, Koh Chan Sub-District, Ponhea Lu District, Kandal Province. The attackers shot indiscriminately and threw two hand grenades into the Prek Dam Commune, killing six people—including four Vietnamese nationals—and injuring five others.

The event, together with others following the approval of the immigration law by the Cambodian National Assembly, has worried the peoples of Cambodia, Vietnam, and the world. One of the provisions of this law give pretext for the Khmer Rouge to increase its massacres of Vietnamese nationals living in Cambodia. In recent years, the Khmer Rouge has killed hundreds of Vietnamese residents in the country. The biggest was in Kandal Province, in which 13 Vietnamese were killed and 27 others injured. Most are women, children, and old people.

The Vietnamese Embassy in Cambodia on Wednesday sent a note to Cambodian Ministries of Foreign Affairs and Interior and the UN Center for Human Rights in Cambodia condemning the new cruel massacre. It urgently requests that the competent authority of Cambodia to investigate the case, identify and bring the culprits to court, and to take effective measures to prevent the recurrence of such brutal act.

Libyan Leaders Vow To Strengthen Multifaceted Ties

BK0709074594 Hanoi VNA in English 0647 GMT 7 Sep 94

[Text] Hanoi VNA Sept. 7—The leaders and people of Libya pledge to promote the friendship and multifaceted cooperation with Vietnam, said Libyan Foreign Minister Umar al-Muntasir.

The foreign minister, on behalf of the Libyan President Col. Mu'ammar al-Qadhdhafi, renewed the Libyan people's commitment to Mr. Nguyen Viet Dzung, director of the President Office and special envoy of President Le Duc Anh, in a reception given to the latter in Tripoli on Sept. 5.

Speaking to his guest, who was leading a delegation to attend celebrations of the 25th anniversary of Libyan national day, the Libyan diplomat highly appreciated the contributions to the cause for national liberation of the world people by Vietnam which he described as an example in the anti-imperialism struggl and the brightest symbol for people of all nations fighting for independence and freedom.

Bulgarian Ambassador Concludes Tour of Duty

BK0609091594 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Sep 94

[Text] Ambassador Extraordinary and Plenipotentiary of the Republic of Bulgaria to Vietnam Boris (Stoytchev) left Hanoi on 4 September, concluding his term of duty.

Prime Minister Issues Decree on Auditing Agency

BK0609075394 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 5 Sep 94

[Text] Prime Minister Vo Van Kiet recently signed a decree that would regulate the establishment of a state auditing agency, an organ to promote state control on management and use of public funds and assets.

The decree, which will take effect from the 1994 fiscal year, also determines roles and duties of the state auditing agency.

Finance Minister Interviewed on Budget, Inflation

BK0809113594 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 7 Sep 94

[Interview with Minister of Finance Ho Te by an unidentified NHAN DAN correspondent; date and place not given—read by announcer]

[Text] [Correspondent] Minister, could you please give us a general assessment of the state financial situation in 1994?

[Ho Te] An assessment on the 1994 state financial situation can be made by means of a comparison with that of 1993 and an appraisal of the capacity for creating a financial momentum for 1995 and the ensuing years. The 1994 state budget is developing satisfactorily compared with the previous years. We now have a firm financial base thanks to the continued firm development of our economy, which this year is expected to have an average growth rate of 8.5 percent, reaching 12-13 percent in some sectors. Crude oil production output has reached four million tonnes and it is expected that by the year end seven million tonnes will be tapped. The production output of cement, fertilizer, electronic items, and textiles has increased satisfactorily. Thus far, the total export value has reached $3 billion, with the volume of rice exported reaching 1.7 million tonnes. The number of capital construction projects carried out by the people and non-state enterprises has increased considerably. The price index increased by 7.1 percent in July and 0.5 percent in August [figures as heard].

Thanks to this stability and development, the state revenue collection has improved satisfactorily as far as the year's target is concerned—a 30-percent increase compared with the corresponding period last year. Revenue collection in various areas has increased consistently, especially collection from the non-state sectors and foreign invested enterprises. This indicates that progress has been made in tackling the tax collection shortfall and in suppressing tax fraud and tax evasion. The increased revenues have provided us with more capital for resolving various important issues left unsolved or partially solved in the past. These achievements are indispensable and inherent and stem from two main factors. First, it was the correct party and state policies, mechanism, and measures on the guidance, organization, and implementation of economic tasks that helped release the potential for developing the national economy. Second, it was due to the benefits and progress attained from investments made during the past 10-15 years in such areas as agriculture, utilization of major water conservation projects, expansion of cultivated areas, and promotion of multicrops to increase output, thereby helping to make remarkable strides in increasing the gross grain output for domestic consumption and for export while vigorously developing animal husbandry. Concerning the exploitation of mining, oil in particular has increased its production output with every passing day. In the industrial domain, various electric power stations and cement and steel factories have enlarged their scale of production and have satisfactorily expanded their markets.

On this basis, the state financial situation this year has developed more vigorously and favorably than last year, thereby creating a momentum for higher growth in the ensuing years. We now have favorable conditions for changing the tax policy in the direction of showing leniency to the people while taking into account their ability to pay tax, stimulating and expanding investment, and preserving revenue collection sources. Despite constant adjustments and revisions of our tax policy, mostly aimed at reducing the tax indexes, the gross revenue collection has consistently increased, thanks to the vigorous development of our production and business.

[Correspondent] Then, why is the current state budget constrained and why have some expenditures, especially those for capital construction, been cut or suspended?

[Ho Te] Our budget is facing difficulties and imbalances. This is currently a pressing issue that must be resolved. For this reason, the government is providing positive guidance to resolve the problem, as can be seen in its working sessions with provinces in three regions in July. The efforts to regulate and ensure balances in state revenue collections and budget expenditures in the second half of this year are considered an important yet challenging task. However, this challenge indicates development. I say this because, while revenue collections have increased, larger expenditure requirements are needed to step up the process of national industrialization and modernization. The budget overdrafts are mostly designed for investment in developing the material and technical bases of the national economy. We have satisfactorily carried out this task during the past two years without having to issue any new banknotes to resolve the state budget deficit. As a result, the anti-inflation campaign has shown satisfactory results. During the past seven months and more, the collected state revenues have been used for various priority expenditures such as the adjusted increased pay scale for state employees, public health and education projects, employment programs, prevention of social vices, and maintenance of national defense and security. As a result, only 3 trillion dong were left for capital construction, while the actual requirement is more than 10 trillion, a shortfall of 7 trillion dong.

The most difficult problem has been with the huge budget overdraft when at the initial stage of project planning. In the beginning, due to inexperience, we planned to use foreign loans equivalent to 5.1 trillion dong to fill the budgetary gap. Nonetheless, realities indicate that it is not easy to obtain foreign loans because to do so, we must follow very complicated procedures, we are unable to negotiate from a position of strength, and we obtain very poor results. This leads to an enormous gap that must be filled by loans from domestic sources. Only when the domestic collection target and collection sources are readily available can revenue collection requirements be met. However, objectively, the course of development for economic activities indicates that actual tax payments won't be received until the last days of the year. Therefore, the period between September and October is the most difficult time for the state financial sector because it does not have sufficient money to cover the expenses of infrastructure building and other projects.

[Correspondent] What are the prospects for the financial and price situation in the last quarter of the year? What must be done to maintain the upbeat that you have just mentioned and fill the gap created by insufficient foreign loans?

[Ho Te] It is highly probable that we will continue to stabilize prices and keep the inflation rate at the one-digit level. This will be based on several favorable factors. For example, the economy continues to make steady progress. Crude oil has stopped decreasing in price and has begun to post higher gains. It is certain that the import-export index will exceed the yearly target. Agro-forestry-sea products, in terms of manufacturing and consumption, are performing well on the domestic and world markets. The amount of tax payments to the state budget from domestic sources is on the rise. Efforts are being made to keep the supply of and demand for goods relatively balanced and stable.

To ensure the aforementioned conditions are maintained, the financial sector has adopted practical measures as follows:

First, vigorous efforts are being made to mobilize domestic capital to ensure that the government has sufficient financial means to effect a breakthrough at the most difficult stage between August and October, to meet the requirements of the salary payment system, and to cover the operating expenses of the 500-kilovolt power line and other important national security and defense development projects.

To this end, the treasury sector must issue drafts and bonds to raise 1,000 billion dong or more from the people. At the same time, it must also apply for short-term loans from major banks and business institutions with relatively good financial standing.

Second, it is necessary to amend in time a number of state financial management policies and mechanisms relating to state budget management and administration, perfection of the tax management system and mechanism and the business management policies and mechanism, and ways of mobilizing and overseeing the use of capital.

Third, it is necessary for cadres in charge of finance and revenue services to keep themselves fully informed of real life situations, remain sensitive to all economic signals, and work out appropriate problem-solving methods, thereby creating favorable conditions for production and business activities in the forms of reinvestment, application of new technology, and in-depth investment, while at the same time guaranteeing collection of full tax payments to the state budget.

Because of our direct access to monetary and material assets, we often check up on our cadres and employees and remind them of the need to uphold the sense of responsibility, make sustained efforts to fight corruption and harassment, and keep in mind that to guarantee sufficient budget revenues and fight against collection shortfall, one must collect the right amounts as specified under the tax regulations and policies and must make every effort to foster and develop collection sources based on increasingly effective production and business activities.

We have also coordinated with all sectors, echelons, and administrative organs at all levels in adopting stern measures against many tax officials and financial cadres for violations of the law. These measures range from warning and dismissal to prosecution and imprisonment. It is our earnest hope that people of all walks of life will actively help us renovate our work style and purify the contingent of cadres to fulfill our heavy duty to fulfill all tax collection targets and increase the state financial standing.

Report Details Telecommunications Expansion

BK0609113794 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 6 Sep 94

[Text] The telecommunications system has been linked with the international network. Twenty major foreign corporations have invested in telecommunications in Vietnam.

In 1994, Hanoi and Ho Chi Minh City received 40,000 and 60,000 new telephone lines respectively. It is estimated that the number will reach 700,000 by 2000. More than 35,000 fax machines, 200,000 pagers, and hundreds of thousands of public telephones are in use throughout the country.

As fees for our telecommunications services are still high, Vietnamese specialists should strive to gradually produce telecommunications equipment for our own use while efforts must be made to adjust the fees to suit our economic conditions.

Airline Generates $1.6 Million in Revenue

BK0809014694 Hanoi Voice of Vietnam in English 1000 GMT 7 Sep 94

[Text] In the first eight months of this year, Vietnam Airlines has carried more than 1 million passengers, generating a turnover of $1.6 million. Vietnam Airlines are now flying routes to 18 overseas destinations and 13 domestic destinations.

In the same period, Ho Chi Minh City has topped an export record of $334 million and [word indistinct] $62 million for import, or 10 percent more than the same period last year.

Australia

Junior Officer at Indonesian Embassy Expelled

LD0309092994 Melbourne Radio Australia in English 0800 GMT 3 Sep 94

[Text] Australia has expelled a junior official from the Indonesian Embassy in Canberra. Australia asked that the staff member leave the country after an incident at the embassy on 12 June. It's alleged that the Indonesian staff member produced a knife after East Timor demonstrators entered the grounds of the Canberra embassy. A spokesman for the Australian Foreign Affairs Department said the behavior of the staff member during the incident was not acceptable. The spokesman said Canberra had asked that the staff member leave Australia and he had left the country last week. The foreign affairs spokesman said the action was regrettable, but it need not affect Australia's relations with Indonesia.

During a meeting at the Australia-Indonesia ministerial forum in Canberra last week, Indonesia's foreign minister, Ali Alatas, complained that embassy staff were being harassed. The foreign affairs spokesman said Australia was taking seriously complaints from the Indonesian Embassy about the security provided by Australia.

Development Cooperation Talks Held With Jakarta

BK0509071594 Melbourne Radio Australia in English 0500 GMT 5 Sep 94

[Text] Australia and Indonesia are having talks on the future of the development cooperation program with Indonesia. Two meetings are taking place in Canberra: a seminar on concessional finance, and a high-level consultation on Australia's aid program this financial year. The aid program is worth A$140 million.

Australia's development cooperation minister, Gordon Bilney, said the meetings would set the directions for aid to Indonesia over the next three to five years. Mr. Bilney said development cooperation with Indonesia was Australia's second largest program reflecting the extreme importance of the relationship.

The vice chairman of Bapenas—Indonesia's national development planning agency—Rahadi Ramelan, will lead the Indonesian delegation. The Australian delegation will be led by Philip Flood, the director general of the overseas aid bureau—AIDAB [Australian International Assistance Bureau]

New Zealand

Bank Head 'Comfortable' With Monetary Conditions

BK0809033594 Hong Kong AFP in English 0234 GMT 8 Sep 94

[Text] Wellington, Sept 8 (AFP)—Interest rates on wholesale money markets fell Thursday after the central Reserve Bank said it was comfortable with present monetary conditions and expected no big changes in interest or exchange rates.

The bank's biannual economic forecast also projected annual consumer price index or "headline" inflation to rise to 3 percent by June 1995, before falling back to between 0 and 2 percent by late 1995.

The law requires the bank to hold "underlying" inflation to between 0 and 2 percent, and the forecasts projected it to remain within the target range, but rise from 1.2 percent in the year beginning March 1994 to 1.4 percent in the year to March 1997.

"Given the outlook for underlying inflation, and the firming in interest and exchange rates which has occurred since the Reserve Bank's June monetary policy statement, I am comfortable with monetary conditions at present," bank governor Don Brash said in a statement.

Wholesale interest rates had risen across the board this week ahead of today's forecasts, with key 90-day bank bills up about 30 basis points. On Thursday they gained a few points from yesterday's close, then after release of the forecasts dropped nine points to 7.28 percent. The fall in bond yields ranged from nine points at the short end to six points at the long end. The bank's forecasts have assumed a further firming in monetary conditions, but Brash said increases in interest rates were projected to be in line with world increases. The bank is forecasting a "soft landing" for the economy, with growth moderating from 5.3 percent in the March 1994 year to a sustainable 4.4 percent in the current year and 3.1 percent in the March 1996 year.

Brash noted that the slowing in the growth rate was primarily due to anticipated cyclical influences on investment and consumption. In combination with firmer monetary conditions, this would ensure the economy continued to grow without strongly increasing inflation pressures or a widening current account deficit.

Based on the bank's growth outlook, employment is projected to increase strongly, leading to the rate of unemployment falling below 8 percent by March next year. The bank's forecasts include a continued strong export performance, with tourism and manufactured goods still underpinning the outlook and relatively weaker prospects for primary products.

Significant increases in household incomes are projected to maintain strong growth in consumption, although with a moderation of the strong "catch-up effects" in consumer demand over the past year—as the economy emerged from recession, people began making delayed purchases of household durables such as furniture and whiteware.

After several years of strong expansion in plant and machinery investment and a sharp rise in the investment/GDP ratio, investment is projected to slow in

1995-96 to growth rates more in line with the rate of expansion in GDP. The current account outlook reflects the domestic demand pattern, with a worsening in the trade balance over 1994-95 followed by an improvement in 1995-96. The current account deficit is projected to deteriorate to 2.4 percent of GDP in the current March year, from 2.0 percent last year and 1.5 percent the year before, then improve to 1.8 percent of GDP in the year to March 1996.

Papua New Guinea

Signing of Bougainville Peace Agreement Announced

BK0809062894 Melbourne Radio Australia in English 0500 GMT 8 Sep 94

[Text] A cease-fire on the Papua New Guinea [PNG] island of Bougainville has been signed and will take effect at midnight tonight Port Moresby time.

Sean Dorney reports that the agreement was signed in Honiara today by a senior PNG Defense Force officer and the military leader of the Bougainville Revolutionary Army [BRA], Sam Kauona.

[Begin Dorney recording] Announcing the signing in an address to the national parliament in Port Moresby, PNG's Prime Minister Sir Julius Chan said that by midnight tonight, a cease-fire would come into effect and both forces would be directed to remain in static position. He said the cease-fire agreement had been signed by the PNG Defense Forces director of land operations, Lieutenant Colonel Davey Ugul, and the rebel general, Sam Kauona. It was witnessed by the Solomon Islands deputy prime minister and Minister for Foreign Affairs Francis Saemala.

The cease-fire paves the way for deployment of a Pacific islands peacekeeping force and a Bougainville peace conference next month. [end recording]

Cease-fire Postponed 24 Hours

LD0809103794 Melbourne Radio Australia in English 1000 GMT 8 Sep 94

[Text] The start of the cease-fire on the Papua New Guinea island of Bougainville has been put back by 24 hours to allow the news to reach all those with guns on the island. Sean Dorney reports that the cease-fire Prime Minister Sir Julius Chan earlier announced would begin at midnight tonight, Port Moresby time, will now take effect from midnight Friday.

[Dorney] The cease-fire agreement provides for both sides to give the widest possible publicity to the fact that the PNG [Papua New Guinea] security forces are not to use their weapons except in self defense, and the Bougainville Revolutionary Army's guerrillas are to stop carrying or using their arms. All citizens are to be allowed to move freely on Bougainville, and there's to be a mechanism for each side to inform the other of any cease-fire breaches. Four neutral zones, Arawa, Panguna, Wakunai and Buin, are to be established for occupation by the South Pacific peacekeeping force, which is to be on the ground at least a week before the October peace conference.

Solomon Islands

Finance Minister Resigns Over Allegations

LD0709105094 Melbourne Radio Australia in English 0700 GMT 7 Sep 94

[Text] The Solomon Islands Finance Minister Andrew Nori has resigned over allegations about his personal finances. Mr Nori allegedly received just over 70,000 dollars from an unnamed overseas source in his personal bank account. However, a government spokesperson said Mr Nori had listed the amount with the leadership code commission earlier in the year. The spokesperson said the money was to start a health sports club. Prime Minister Francis Billy Hilly says although the allegations are unsubstantiated, Mr. Nori has stepped down to clear his name. Mr. Hilly has written to the leadership code commission to urgently investigate the matter. Mr. Nori's resignation is effective from Wednesday, 14 September, allowing a planned meeting on structural adjustment with the World Bank and the International Monetary Fund to take place next week.

More on Resignation

BK0709155594 Hong Kong AFP in English 1018 GMT 7 Sep 94

[Text] Honiara, Sept 7 (AFP)—Finance minister Andrew Nori resigned Wednesday over allegations he had received 108,000 Australian dollars (80,000 US) from undisclosed foreign sources. Prime Minister Francis Billy Hilly accepted the resignation saying the allegations still had to be substantiated. The allegations were made by former education minister Walter Folotalu.

Nori said he resigned after consulting members of his Nationalist Front for Progress Party, a senior member in the National Coalition Partnership government and leaders of other parties that form the coalition government. He said Folotalu's allegations left doubts in the minds of ordinary Solomon Islanders about his integrity as a national leader. He had already asked Hilly to request the Leadership Code Commission to mount an investigation.

Nori had earlier stated that the money received was part of a 1.4 million dollar deal to start a health and sports centre here. His resignation will become effective on September 14 after which his replacement will be announced.